

Corporate Values
—
**A Socio-Functionalist Approach Exemplified along
Corporate Sustainability Values**

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a. Abstract

This dissertation strives to create a systematic, comprehensive, theory-guided, analytic framework able to analyze corporate values beyond the false equation with human values. To accomplish this, the dissertation is based on two methodological blocks: The first block comprising chapter 2 to chapter 5 contributes the theoretical foundations and the theoretical reasoning supporting the creation of the analytical framework. This first block also undertakes a functional differentiation between corporate and individual values as well as outlines their different functional layers and phases. Based on these insights, the constitutive elements of the framework are identified, discussed and correlated to form a functional framework.

The second methodological block consists of chapter 6 and constitutes the practical validation of the theoretical approach developed in the preceding chapters. The framework's ability to analyze corporate values and disclose value inconsistency is validated by applying it to the publicly declared corporate value of sustainability proclaimed by a real-life corporation. While all corporate values are validated using the framework, the framework is also utilized when some corporate values are replaced with new, re-worked editions to validate the forming capabilities of the framework and demonstrate the explanatory power of well-designed corporate values.

The dissertation's findings should be considered on different levels. On a characterization level, the dissertation performs a literature-based, functional separation between corporate and individual values, while on an analytical level it places a detailed and theory-guided framework at one's disposal, facilitating the analysis and discussion of functional corporate values. Finally, the results of the framework's application indicate that even though a corporation's values can be award-winning, well intended, and successful, they can still base on misconceptions, inaccuracy, and gaps. Such corporate values have to rely on like-minded value recipients to close the communication gap according to the corporation's ideology.

Approaching the topic of corporate values with a framework specifically laid out to analyze and form corporate values turns out to result in a more accurate, conceivable, conveyable and therefore more successful analysis of corporate values.

b. Acknowledgments

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c. Motivation

The initial motivation to have a thorough look at corporate values has been triggered by insights gained and experiences made at a number of workplaces and working environments in multinational corporations where I was occupying various managerial roles. One recurring and broadly discussed theme were corporate values and the question as to how they shape organizational behavior and its public perception.

After several years of repeatedly taking part in value finding workshops formulating various versions of values for teams, departments or entire corporations, I received the opportunity to lead a value-finding workshop myself which proved to be incremental in defining my research question.

During the preparation phase for the workshop, I realized that I did not have a comprehensive idea of the characteristics of a corporate value and of how it differs from a human value – a somewhat unsettling thought given my background as a social scientist. Upon further research, it turned out to be surprisingly hard to get ahold of comprehensive literature or analysis concerning non-individual values, albeit the great number of corporations that, as a matter of fact, operate on such values in their day-to-day practice. Instead of providing theoretically oriented approaches to corporate values, so I came to understand, surprisingly direct equalizations with individual values were made and proposed to work with.

Against the backdrop of my theoretical knowledge and the practical experiences in various workplace situations I saw the opportunity to explore a research topic that might be of broad relevance for the normative steering of corporations in the face of the wide variety of societal stakeholders.

d. List of Abbreviations

CSR	Corporate Social Responsibility
EVS	European Value Study
FER	Accounting Recommendations (Fachempfehlungen zur Rechnungslegung)
GMO	Genetically Modified Organism
SA	Social Accountability
WVS	World Value Study

e. Index of Tables

Table 1: List of Corporate Value Agents.....	42
Table 2: Function/Phase Mapping.....	45
Table 3: Sub-Categories of Unintended Consequences' Effects.....	90
Table 4: Characteristics of Unintended Consequences' Evaluation.....	91
Table 5: Sub-Categories of Unintended Consequences' Relations to the Initial Intention	92
Table 6: Sub-Categories of Awareness of Unintended Consequences.....	93
Table 7: Aspects of Conclusions Drawn.....	98
Table 8: Issue or Means Affected by Evolution.....	134
Table 9: Interpretation of Declared Corporate Values.....	179
Table 10: Value Goal: Offer Respectable Working Conditions.....	194
Table 11: Value Goal: Ensure the Small Farmers' Self-Determined Livelihood.....	196
Table 12: Value Goal: Ensure Business Continuity.....	197
Table 13: Reduce CO2 Emission Across Textile Chain.....	197
Table 14: Value Recipient Groups and Methods of Conveyance.....	201
Table 15: Value Recipient Groups and Frequency of Conveyance.....	204
Table 16: Norms Measuring Achievement.....	206
Table 17: Value Interplay.....	217
Table 18: Value Interplay II.....	220

f. Table of Figures

Illustration 1: Theoretical Model of Relations among Ten Motivational Types of Value (Schwarz 2012:9).....	24
------------------------------------------------------------------------------------------------------------	----

Illustration 2: Layers of the Framework (illustration by author).....	102
Illustration 3: Quadripartite Y of Corporate Values (illustration by author).....	119
Illustration 4: Details of Internal Values in the Quadripartite Y of Corporate Values (illustration by author).....	119
Illustration 5: Examples of Value Clusters (illustration by author).....	137
Illustration 6: Example for Value Sets and Interplays (illustration by author).....	140
Illustration 7: Framework Overview (illustration by author).....	142
Illustration 8: Concept Illustration Example (illustration by author).....	143
Illustration 9: Concept of Social Functions of Corporate Values (illustration by author)	144
Illustration 10: Concept of Corporate Action (illustration by author).....	145
Illustration 11: Concept of Trust towards Corporate Values (illustration by author).....	145
Illustration 12: Concept of Value Goal Achievement (illustration by author).....	146
Illustration 13: Concept of Categories of Relevant Corporate Values (illustration by author).....	147
Illustration 14: Concept of a Corporate Value (illustration by author).....	148
Illustration 15: Concept of the Structurized Bridging Problem (illustration by author).	149
Illustration 16: Concept of Generation of Corporate Values (illustration by author).....	150
Illustration 17: Concept of Conveyance of Corporate Values (illustration by author).	151
Illustration 18: Concept of Control of Corporate Values (illustration by author).....	152
Illustration 19: Concept of Evolution of Corporate Values (illustration by author).....	153
Illustration 20: Concept of Corporate Value Clusters (illustration by author).....	154
Illustration 21: Concept of Value Sets (illustration by author).....	155
Illustration 22: Concept of Corporate Activity Reporting (illustration by author).....	156
Illustration 23: Concept of Value Achievement Reporting (illustration by author).....	157
Illustration 24: Concept of Feedback Reporting (illustration by author).....	158
Illustration 25: Concept of Conclusions Drawn (illustration by author).....	159
Illustration 26: Three Pillars of Sustainability (Adams 2006:2).....	169
Illustration 27: Three Circles of Sustainability (Bañón Gomis et al. 2011:177).....	169
Illustration 28: The Integrating Triangle of Sustainability (Kleine and von Hauff 2009:523).....	170
Illustration 29: Interpreted Corporate Values (illustration by author).....	182
Illustration 30: Enriched and Interpreted Corporate Values (illustration by author).....	188
Illustration 31: Value Interplay (illustration by author).....	216
Illustration 32: Value Interplay II (illustration by author).....	225

Table of Contents

a. Abstract.....	III
b. Acknowledgments.....	IV
c. Motivation.....	V
d. List of Abbreviations.....	VI
e. Index of Tables.....	VI
f. Table of Figures.....	VI
1 Introduction.....	3
1.1 Overview.....	3
1.2 Statement of the Problem.....	5
1.3 Research Goal and Limitations.....	6
1.4 Methodology.....	8
1.5 Structure.....	8
1.6 Contributions.....	10
2 Literature Review.....	11
2.1 Human Values in Social Sciences.....	12
2.1.1 Concepts of Value Origins, Functions and Characterizations.....	12
2.1.2 Summary.....	26
2.2 Corporate Values in Social Sciences.....	28
2.2.1 Concepts of Corporate Values.....	29
2.2.2 Summary.....	35
2.3 Result.....	37
3 Concepts of Corporate Values.....	39
3.1 Social functions of corporate values.....	41
3.2 Generation of Corporate Values.....	50
3.2.1 Functionalistic-Normative Perspective.....	51
3.2.2 Individualistic-Interpretive Perspective.....	53
3.2.3 Summary.....	57
3.3 Conveyance of Corporate Values.....	60
3.3.1 Functionalistic-Normative Perspective.....	61
3.3.2 Individualistic-Interpretive Perspective.....	64
3.3.3 Summary.....	67
3.4 Control of Corporate Values.....	70
3.4.1 Functionalistic-Normative Perspective.....	71
3.4.2 Individualistic-Interpretive Perspective.....	71
3.4.3 Summary.....	74
3.5 Evolution of Corporate Values.....	79
3.5.1 Functionalistic-Normative Perspective.....	79
3.5.2 Individualistic-Interpretive Perspective.....	82
3.5.3 Summary.....	83
3.6 Reporting of Corporate Value Fulfillment.....	87
3.6.1 Corporate Activities.....	88
3.6.2 Value Achievement.....	94

3.6.3	Value Recipients' Feedback.....	95
3.6.4	Value Conclusions.....	96
4	Elements of a Framework of Corporate Values.....	102
4.1	Basic Elements.....	103
4.1.1	Corporate Action.....	103
4.1.2	Trust towards Corporate Values.....	105
4.1.3	Value Goal Achievement.....	106
4.1.4	Categories of Relevant Corporate Values.....	107
4.1.5	The Term 'Corporate Value'.....	109
4.1.6	The Bridging Problem.....	117
4.2	Phases.....	122
4.2.1	Generation.....	123
4.2.2	Conveyance.....	125
4.2.3	Control.....	129
4.2.4	Evolution.....	131
4.3	Clusters and Sets.....	136
5	Construction of the Framework.....	141
5.1	Concepts on the Basic Layer.....	144
5.2	Concepts on the Phases Layer.....	149
5.3	Concepts on the Clusters and Sets Layer.....	153
5.4	Concepts of the Reporting Perspective.....	155
5.5	Meeting the Criteria.....	159
5.5.1	Predictability.....	159
5.5.2	Identification.....	161
5.5.3	Groups Involved.....	163
6	Applying the Framework: A Case.....	164
6.1	From Sustainability to Corporate Sustainability.....	165
6.2	Corporate Sustainability as Value-Based Concept.....	167
6.3	Case Study: Application of the Framework.....	171
6.3.1	Case Selection Criteria.....	171
6.3.1.1	Proceedings.....	172
6.3.1.2	Case Selection Criteria.....	173
6.3.2	Corporation Portrait.....	173
6.3.3	Analysis of Corporate Values.....	174
6.3.3.1	Declared Values.....	175
6.3.3.2	Corporate Website and Additional Documents.....	182
6.4	Reconstruction of the Corporate Sustainability Value.....	188
6.4.1	Generation.....	189
6.4.2	Conveyance.....	198
6.4.3	Control.....	204
6.4.4	Evolution.....	210
6.5	Sustainability Value Interplay.....	215
6.6	Discussion.....	220
7	Overall Contribution and Outlook.....	227
7.1	Summary of the Results.....	227
7.2	Further Research.....	231
7.3	Practical Implications.....	233
8	References.....	234

1 Introduction

1.1 Overview

Human lives and actions have been guided by innumerable different values for thousands of years. Values have shaped civilizations and cultures and still do to this day, not having lost any of their importance or guiding function for humans and human societies. Due to their dominant function in humans, it is not surprising that values were involved in the formation of social institutions, from age-old institutions like family, marriage or any form of organized religion to recently established social institutions in their various forms such as shelters for battered women, controlled drug dispensation or data protection officers. Institutionalized corporate activity is no exception to this rule and is thus virtually unthinkable without declared or undeclared corporate values. At the very least the value 'You shall generate economic gain' can be expected to be a general guiding principle among corporations. Non-profit corporations are no exception to the constant value interspersing. In their self-classification they already pronounce themselves as non-profit corporations, stressing that they are not following the expected profit value. Instead, non-profit corporations explicitly pursue different corporate values, but corporate values nonetheless.

In the last two to three decades, a large part of the corporations assembled some kind of "Be-kind-be-likeable"-value declaration, mocked by Lencioni (2002:115) as 'motherhood-and-apple-pie values' due to their broad acceptability based on vagueness and normative social bastions such as the intensity of the role of a mother or the per se given importance of employees to their corporation. The widespread shift towards 'we-are-nice'-values, however, has not happened due to an intrinsic urging towards corporate values but due to changed societal expectations towards corporations (Linnenluecke and Griffiths 2010; Marens 2013), isomorphic tendencies regarding certifications and reporting inside the corporate structure (Dimaggio and Powell 1983; Lencioni 2002; Nelson and Gopalan 2003), marketing trends towards clearer and simpler corporate identities (Hatch and Schultz 2004; Lee, Fabish, and McGaw 2005; Nelson and Gopalan 2003), to only name the main causes of the trend. If, however, on a broad level corporate values are simply variations of the above mentioned "motherhood-and-apple-pie values", they lose their specificity and therefore identity. Corporate values aligned in such a way de facto become values-off-the-shelf, a consequently interchangeable commodity. For corporate values to be commoditized in such a way, the

common denominator is the lacking clarity concerning the question of how these value declarations are concretely rooted and expressed in the everyday corporate life of the specific corporation in question. Consequently, it also remains unknown whether the corporate actions are indeed shaped by the declared values or not (Giblin and Amuso 1997; Lee et al. 2005; Stewart 1996).

The pressure to create corporate value declarations has among others strongly emerged from the global debate on corporate sustainability (Horlings 2015). Sustainability itself is inconceivable without values, as the concept of sustainability displays by its nature various strong, normative foundations such as justice, responsibility for future generations, sustaining of goods, etc. (Baumgärtner and Quaas 2010; Bieker 2005; Burger and Christen 2011; Dyllick 2003; Hart and Milstein 2003; Johnston et al. 2007; Redek et al. 2012; Renn et al. 2007). Sustainability, however, does not base on one single undisputed concept, resulting in the term being used in broad, sometimes adventurous ways (Beatley 1995; von Hauff 2012; Kidd 1992; Kiss 2011; McKenzie 2004; Owens 2003). This potentially confusing variety, if filled with arbitrary non-sustainability-related content, bears the risk of adding to the already existing shady and volatile corporate value-practice, instead of doing (normative) good.

The resulting 'anything-goes'-problem often lurking behind today's corporate practice is strikingly echoed by a Swiss Youth Hostel CEO who said when asked about the main challenge in implementing sustainability guidelines across their hostels, "Sustainability can only be learned to some extent. The entire rest is a question of personal attitude."¹. This statement exemplifies very well that sustainability can indeed to a certain extent be expressed in rules. Their practical implementation, however, is heavily dependent on an individual's attitude or – put differently – values and is much harder – in some cases even impossible – to internalize in comparison to any random business process. This leads to the conclusion that sustainability implementation cannot be severed from the implementer. While 'neutral' business processes can be learned, 'value-loaded' processes have to be internalized or at least accepted. Successful internalization or acceptance of certain given values, however, is heavily dependent on the individuals involved and their individually held set of values.

1 Personal communication, 11 July 2012

1.2 Statement of the Problem

The phenomenon that corporations can declare corporate values without them necessarily shaping corporate actions illustrates the core problem this dissertation is addressing: Corporate values, like their cousins the human values, express some kind of orientation point, an alignment towards a certain direction of action, or more abstractly speaking, "a corporation's institutional standards of behavior" (Lee et al. 2005:3). However, if corporate values do not shape corporate actions in a way an active institutional standard of behavior would, it is of very little relevance what the theoretically added values would be, as they never perform the step from theory to practice. As long as the corporation keeps these standards from practice, however, they do not have the means to influence corporate action the way they are announced and consequently expected to be. In other words, they become dysfunctional.

The potential reasons why corporate values on a case-by-case basis can become dysfunctional are diverse and obviously not only limited to the factor of wrongly built corporate values. Accordingly, viably built corporate values can still fail to fulfill the value declarators' intention due to value-external reasons. On the other hand, poorly constructed corporate values can still be very successful, e.g. if they are shared by the value recipients in the first place. However, the probability of well-constructed corporate values failing to exert the intended influence in reality is immensely lower than the probability of ill-constructed corporate values failing their intended purpose.

Equivalent to social norms depicted in laws formed by and within societies (Geiger 1947), corporate norms used to characterize corporate values are to a wide extent kept in an explicit, written form (e.g., employee regulations, process descriptions, working instructions, accounting methods) with the goal to minimize room for individual interpretation and thus maximize their shaping power regarding the corporation's way of business. The resulting norm transparency gives all stakeholders in principle an opportunity space to decide whether the corporation's way of business is in line with their own goals and interests and to take position on it (Thompson 2007). However, although corporate values are deemed to be of high importance in a modern business environment – not the least to support stakeholder relations (Rivoli and Waddock 2011; Thomsen 2004; Wenstøp and Myrmel 2006) – there seems to exist neither structural nor functional standards nor clearly stated requirements for them. In strong contrast to other corporate norms, the according practice regarding corporate values seems to be surprisingly opaque and unstable. Due to lacking scientific standards regarding functional

and structural conceptualization of corporate values, each corporation can and has to set up own views on the structural requirements towards corporate values, minimal descriptive standards of those requirements or a threshold identifying a successful implementation of a corporate value. It is safe to assume that the expertise and work power to do so properly is not available in each and every single case. As a last consequence, this means that due to the lacking scientific standard regarding the functional and structural conceptualization of corporate values, corporate values found today have a high chance of turning out misshaped and therefore dysfunctional. Consequently, the following dissertation primarily focuses on providing a solid, pragmatic theoretical foundation for the nature of corporate values while still providing a reconstruction of corporate values as an empirical demonstration of the analytical abilities of the approach.

1.3 Research Goal and Limitations

Drawing a parallel between corporate values and other topics of standardized corporate behavior points out why having dysfunctional corporate values is a fundamental problem, not only from a scientific perspective but for all stakeholders involved. Corporations running their accounting following an own, undocumented system, or corporations reporting their taxes using a self-developed method would cause incomparability and unaccountability from a scientific point and chaos from a stakeholder's point. It is the goal of this dissertation to provide, discuss and illustrate the means to characterize and analyze corporate values, and to distinguish their degree of functionality, as demonstrated in a corporate value reconstruction in chapter 6. As laid out in chapter 1.2, corporate values are often – in simplified terms – standards regulating but not influencing behavior. As this counteracts any *raison d'être* of a standard (Merriam-Webster 2016), it also exposes corporate values in today's 'anything-goes' manner to be largely dysfunctional and consequently unable to keep up their social functions. In order to identify such a lacking functionality, the research questions stemming from the research goal are threefold:

- a) What are the social functions of corporate values?
- b) How do corporate values have to be characterized to functionally perform?
- c) How can corporate values be analyzed regarding such characteristics?

From a sustainability perspective, however, there is an additional research question being asked in this dissertation during the reconstruction of the framework in chapter 6. It is the one question one can pose regarding any value complex that should concretely be implemented in a corporate process:

- d) How can a corporation depict a complex and far-reaching topic such as sustainability in its corporate values in as functional a way as possible?

The research questions a) to c) characterize the theoretical nature of corporate values in corporations and societies on a generic level. They capture the theoretical analysis of the topic, focusing on the corporate values' social functions, the characteristics to analyze for and the method of analysis. The last research question, however, addresses the empirical part of this dissertation, focusing on the analysis of unstructured corporate value statements and their transformation into a structured, comprehensible composition of corporate values.

While the construction of the framework and its elements is kept on a generic level, its application aiming at reconstructing a particular value corpus, however, takes place on a level of specificity that comes with certain limitations, mainly in two respects:

- a) Corporate values are rooted in value issues held by one or more value declarators (cf. chapter 3.1). How these issues are exactly modeled escapes everyone's but their creator's knowledge, although even this cannot be assumed to be a given. Nevertheless, I make the attempt to reconstruct these issues in chapters 6.3 to 6.6 based on statements made on the corporate website. While such an approach to reconstruction serves the purpose well to demonstrate the mode of action, it is unable to precisely depict unstated value issues of unknown value declarators. Consequently, the reconstructed corporate values might partly deviate from the corporate values their creators had in mind, while the demonstration of the proceeding and framework are accurate to the detail, nevertheless.
- b) Sustainability as a value-based concept can by its nature not be definitively defined of course, although it has non-negotiable characteristics. On the one hand, this makes it harder for a reconstruction to be assessed due to the individual specificity of the sustainability term. The line between success and failure regarding the correct reconstruction of the value declarators' perspectives on sustainability cannot be clearly drawn. On the other hand, the mutability of the sustainability term clearly demonstrates the need for an approach allowing for an interpersonal transfer of individual-based corporate values and value-issues.

Pursuing these goals under constant consideration of the existing limitations aims to achieve contributions on different levels.

1.4 Methodology

From a methodological point of view this dissertation consists of two main parts, each with their own methodological approach. At this point only the overall methodological setup and the roles of the two main parts are discussed. The methods applied in the various steps between the literature review in chapter 2 and the reconstruction of the exemplary corporate values at the end of chapter 6 are in detail discussed in the respective chapters.

The first main part of the dissertation provides the theoretical foundations and the theoretical reasoning supporting the creation of the analytical framework. This part functionally differentiates corporate from individual values and determines their functional layers and phases. Based on these functional specifications, suitable elements of the framework are identified before the first part of the dissertation is concluded by the construction of the analytical framework itself.

The second part performs a validation of the framework constructed before. By applying the framework to the real-life corporate values of an existing corporation, its ability to analyze corporate values and disclose value inconsistency is validated. The decision to use only one validation object for the framework is based on two considerations. Firstly, the theoretical applicability of a framework to corporate values can be validated using one example only, since the characteristics of corporate values do not fundamentally vary among different instantiations. Secondly, the exemplary corporation has been selected to exhibit a rich variety of value-based statements and self-commitments in order to expose the framework to many different value constructions. Exposing the framework to a higher number of analogue examples would not substantiate any further validation of the framework.

1.5 Structure

The two methodological parts discussed above are also reflected in the dissertation's structure:

1. Chapters 1 entitled "Introduction" and 2 entitled "Literature Review" aim to envision the predicament corporate values are in. They illustrate the alignment of this dissertation by characterizing its provenance and the problem(s) it strives to address. Furthermore, these chapters provide an overview of the relevant litera-

ture with respect to the functionality of individual and corporate values and point out the respective research gaps.

2. In a first step, chapter 3 entitled "Concepts of Corporate Values" discusses the social function of corporate values and elaborates the fundamental difference with regard to human values, based on theories stemming from the areas of sociology, psychology, and political sciences. In a second step, chapter 3 pours the foundation of the framework by going through the identified corporate value phases and laying out both the perspective of the structure and the perspective of the agent within the structure.
3. Chapter 4 entitled "Elements of a Framework of Corporate Values" and chapter 5 entitled "Construction of the Framework" represent the building phase of the framework based on the foundation laid in the third chapter. Firstly in chapter 4, all elements of the analytical framework are identified and classified according to their layer within the framework, including the basic elements of the framework, the four phases, and the corporate value clusters and sets. Chapter 5 picks up the elements elaborated in chapter 4 and relates them to each other, addressing the following three questions for every element:
 - a) Why is it functionally necessary for the framework?
 - b) How does it influence other elements?
 - c) How is it influenced by other elements of the framework?
4. Finally, the empirical chapter 6 entitled "Applying the Framework: A Case" introduces the validation part of the dissertation and applies the framework by reconstructing the unstructured sustainability value statements of a real-life corporation in a structured way and with a positive impact on its functionality. Such a reconstruction illustrates and validates the qualitative advantage the framework provides regarding the successful portrayal of socially functional corporate values in a practical and vivid way. The topic of corporate sustainability seems very suitable for an exemplifying reconstruction, as it is heavily value-based and therefore allows for a broad variety of conceivable perspectives and measurements, as long as the values motivating it prove to be sound.

This approach has been chosen for practical reasons. Structuring the dissertation the way described above – starting with an overview part portraying the initial situation, followed by a section focusing on questions of the social context concerning value functions and different social perspectives on value phases, before addressing the ele-

ments of the framework and concluding with the exemplification of sustainability as a corporate value – offers the possibility to address the research topics in a decreasing level of abstraction and increasing level of empirical details. By proceeding this way, generic statements remain separated from concrete, situational ones and therefore remain more easily transferable to other corporate value topics.

1.6 Contributions

My major contributions to the scientific debate is a systematic, comprehensive, theory-guided, analytic framework to analyze corporate values as a basis for a pragmatic rationalization of the functional value of any given set of corporate values. Such a framework for corporate values requires among others a rigid distinction between values held by corporate entities and values held by human individuals or human groups. This rational and functional distinction between corporate and human values made in chapter 3 constitutes another main contribution of mine to the various disciplinary debates in academia operating with either of these value concepts.

Finally, the application of the framework in chapter 6 by example contributes to the practical application, validation and implementation of the framework. The concluding chapter 7 invests in a detailed summary of the contributions, results, and implications.

2 Literature Review

The general term 'value' has multiple meanings and although this dissertation will only focus on the description of inner preferences, in contrast to meaning monetary worth, temporal duration or relative usefulness to name of few, the divers ways of distinguishing value from e.g., general desire, wish, belief, expectation, norm, etc. establishes a solid idea of the diverging qualities across the different disciplines and schools of thought. The subject area of values, and thereby the contemplation with concern to them, has existed for thousands of years, as they beyond controversy had and still have crucial social functions to fulfill. In the 20th century they have even been transposed from human individuals to institutions like corporations, forming society even more.

The goal of this chapter is to provide an overview of the literature regarding the functionally and structurally constituting elements of corporate values, resulting in their social or corporate synchronizing effect. Hence, literature will be reviewed regarding possible expectations (structurally but in particular functionally) towards corporate values. As the topic of corporate values is barely discussed on a structural or functional level in social sciences, the first part of the review consists of a condensed overview of human values (individual or social), based on statements from sociology, social psychology, political sciences and social anthropology. In the second part, CSR and business-administration related literature is used to discuss the factual application of corporate values. To concentrate the review in such heterogeneous bodies of literature, the chapters 2.1 and 2.2 will focus on two questions directed towards human values as well as corporate values:

1. What is the function of values?
2. Based on question 1, what are the minimal structural requirements for a value to be functional?

Both chapters follow the same structure, first providing an overview of the respective literature first, before presenting a shorty summary. The last chapter of the literature review joins both the individual and the corporate perspective and points out why the attempt to characterize corporate values using concepts stemming from the domain of individual or social values leaves several aspects unconsidered and questions unanswered.

2.1 Human Values in Social Sciences

In this chapter different approaches towards the characterization of human values of individuals or groups are described in a roughly chronological way starting with literature from classic sociology (Durkheim, Mead, Weber, Geiger, Parsons), later followed by social anthropology (Kluckhohn/Strodtbeck, Rokeach), modern sociology (Williams, Blumer, Hutcheon, Luhmann, Klages, Thome, de Moor), psychology (Leff, Schwartz) and political science (Inglehart, van Deth). There is a plethora of different perspectives on values and it is not the goal of this chapter, to assemble a conclusive compilation of value theories throughout social sciences, nor to overlook and criticize the theories discussed in this chapter in their whole, but rather to focus on different perspectives on values and the closely related term of norms and attitudes regarding their functions and origins as a basis for the subsequent discussion of corporate values. The insights gained by the compilation of approaches towards the nature of human values in social sciences, will thereupon be used in chapter 2.3 to counter-check the conceptual transfer from individual to corporate values.

2.1.1 Concepts of Value Origins, Functions and Characterizations

The term value has been and is still used across various disciplines of social sciences to describe moral obligations, desires, goals, interests, or preferences to mention but a few. Suitable to the broad usage of the term, there is hardly any congruent characterization of values across several conceptualizations, resulting in a "balkanized nature of [value] research" (Hitlin and Piliavin 2004:359). Van Deth and Scarbrough (1995) list in the introductory chapter to their article over fifty approaches to value definitions, referencing to literally thousands of others and coming to the conclusion that, "[t]here does not, then, seem to be a general or common understanding of the value concept in social sciences;[...] (1995:23)".

In sociology value has been an essential term almost since the very beginning of the discipline. Durkheim already mentions a "collective consciousness" (Durkheim 1893:9) unifying and consolidating society, consisting of common norms, beliefs and values. The fact that they do not differ significantly from one member of a society to another or from one generation (of one particular society) to another is regarded as a cornerstone of social coherence and therewith society itself (Durkheim 1893). Nevertheless, Durkheim concedes own, possibly differing values to each individual within a society, however explicitly in addition to the general social values affecting all members of

society equally and with the notion of a pathological consequence for a society or community under heavy influence of individual values. The entity of social values covering all members of society exists sovereignly and does not just consist of the sum of all individual values harbored by all the individuals forming the society. It is tightly linked to religious attitudes of a universally valid morale and is passed on from generation to generation through the process of socialization. Since the process of socialization does not have to occur consciously the resulting values can often be perceived by the individual as an individual feature rather than a social dictate of values. Hence, it is for an individual hard to tell whether a harbored value roots in social and therefore general values or in individual ones, as long as they harmonize. Conflicts between social and individual values become publicly perceivable in the form of socially irritating, unpredictable individual behavior and, as a consequence to the caused irritation, in the shape of sanctions towards the deviating individual. The intensity of such sanctions are on the one hand an expression of the rigidity and intensity of the violated social values, on the other hand, they reinforce those social values by demonstrating their binding character and the sanctions linked to disregarding them. Individual values dysfunctional from the perspective of the broadly socially accepted values are for Durkheim not acceptable.

Should the discrepancy between individual values and general social values grow too large (anomy), Durkheim predicts the individual to alienate itself from society, become isolated, insecure and finally unstable, possibly even to the point where it commits an anomic suicide (Durkheim 1897:93). It is important to note that the discrepancy between social and individual values does not have to be caused by the individual. Broad social transformations or shifts may induce such a discrepancy between general social values and individual values, just as well, leading to the same symptoms of anomy. If, however, the individual does not stand alone with its deviating values but feels backed by a group sharing and identifying with its values, the isolation and insecurity may turn into actions to weaken the differing, possibly oppressing social system and its values up to the extreme of an altruistic suicide (Durkheim 1897:75). Apart from general, social values existing independently of the individuals harboring those values and the values of just an individual, Durkheim thereby leaves space for values upheld by a deviant group of people within a society. Such sub-cultural group values can ease the insecurity and disorientation an individual might feel, caused by the value discrepancy in comparison to the generally valid, individual-independent social values, and thereby reduce the risk of individually motivated anomic behavior.

George Herbert Mead (1918) offers similar views when he perceives social values and norms as an expression of "common will" (Mead 1918:587), which has been formed during the evolution of society as a reaction to conflicting human interests. Pure, basic human instincts make the different individuals of a group compete for the same sparse resources. However, since the human being is by nature a social one, it uses social protection, collaboration and attunement to increase the survivability of all individuals of a group. The urge to satisfy one's basic human instincts is matched by the struggle for respect and recognition within their social group, as they both increase the probability of an individual's success. Consequently, the values of a group pursue the goal of keeping a group functional, safe and prosperous. The sparsity-triggered hostility of one individual against another has thereby been replaced by the hostility of one group against another or simply against non-members of the own group, obviously not holding the same group values. Hence, the social values and norms of a group function as a group identity and sanctioning trespassers does not only have the goal of punishing the deviator but also the consequence of reinforcing the group identity and group stability by othering differing groups and their values and thereby demonstrating the fate of value deviators.

Weber (1922) builds upon Durkheim's views, as well as upon Tönnies' (1887) loss of objective values, when proclaiming values on the one hand as the root motivation for one of the four types of social action (value-rational) and on the other hand recognizing that the influence of values cannot be denied in every single action or non-action of a human being even when explicitly trying to do so. He therewith acknowledges individual values as a strong impetus for (social) action. At the same time he points out that for value-rationally motivated actions, in contrast to rational or instrumental actions, the cause (Grund) of an action does not have to be congruent with the source (Ursache) of the action. Decisions leading to actions, based on a congruent cause and source, are decisions based on an "ethics of responsibility" (Weber 1919:57) since their acceptance to the agent depends pragmatically on the outcome of the action and not ideological considerations. Decisions based on a gap between cause and source roots in an "ethics of attitude" (Weber 1919:57), as the acceptance to the agent do not directly derive from their expected outcome but rather from the ideological frame the action must take place in. According to Weber (1919) every ethic decision has at least this conflict to solve among other possible contradicting values. A discrepancy between social value consensus and individual values, however, is for Weber not necessarily a symptom of anomy and does not inevitably lead to a weakening of the individual, contrary to

Durkheim's perspective. Rather, the individual may (privately or publicly) question the authority (Herrschaft) of the specific social values and depending on the legitimization of the authority, its values may lose their socially guiding function.

Talcott Parsons builds on Durkheim's collective consciousness and the rationally motivated action-type of Weber to produce a normative, functional, social structure, where individuals (consciously or in-consciously) follow unchangeable general social values, limiting the thinkable scale of their individual wishes, needs and goals to a normative order (Parsons 1937). Due to this ideological limitation, Parsons' social structure remains immune towards deviating actions by single individuals or sub-groups of the society seeking their own world outlook in propagating and following different norms and values, as such behavior as a group is simply not a realistic option. Change in Parsons' system comes evolutionary, not revolutionary and thus leaves enough time for the system to adapt and evolve to the new circumstances. As Parsons and Shils (1951b) see, in congruence with Kluckhohn (1951b), values as beliefs concerning the desirability of modes, means or actions, while norms, in contrast, express the degree of their acceptability, the limitation of social options implicitly assumes an extensive congruence of desirability and acceptability, a large-scale social consensus. Values are the normative element defining the desirable alignment of the social system as a whole, expressed in the orientation of countless role definitions in in-numerous subsystems (Parsons 1982). In his action frame of reference Parsons describes an action as the result of four basic elements: (1) agent, (2) goal, (3) environment and (4) values and norms. Generally speaking, a social action consists of the agent pursuing a goal within a certain environment guided by certain values and norms. The agent's action options in a theoretical, generic situation are endless to begin with, however promptly limited by several factors. Already the choice of the action's goal is limited by the values and norms valid in the specific social system or sub-system and by the resources and limitations the environment provides in this situation. At the same time the choice, which of the available resources of the environment to use and, which of the environment's limitations to accept is again limited by socially valid values and norms. Parsons' scheme is not designed to harbor functionally relevant individual values and norms.

While Parsons relies on a self-regulating and self-maintaining system of the group and the individual fueled and regulated by subconsciously operating, internalized, stable social values (Parsons 1964b), Theodor Geiger (1947) emphasizes the explicit public expectation as an additional functional element. Due to Geiger's focus on the legal

system, norms are his focus and values might at most be the reason for repetitious behavior, which in time will be institutionalized to social norms and possibly in a step of formalization molded into a written legal system. In such a system, each individual can look up the expectations of the group upholding these laws by reading the code of law containing the social norms, the related sanctions and the mode of sanctioning. While Durkheim relies on social sanctions in case of deviations and Parsons builds on the internalized behavior patterns replicated by individuals in each subsystem of the social system, Geiger mentions the public expectations as one of the main motivations for value norm compliance by the individual. This allows for an individual foreign to the social group it is currently in to act according to the applicable norms and values since they are (ideally) available in a form independent from individual interpretation. This perspective integrates the option of an individual to act according to the expectations of norms or values even if conformance is triggered neither by internalization nor by fear of sanctions but by the wish to earn respect, recognition and support like already earlier discussed by Mead (1918). Geiger identifies four elements of a social and therefore also legal norm: (1) situational norm expectation, (2) norm stigma, (3) norm addressee, (4) norm beneficiary. However, conformance as used by Geiger does not only presume an action according to the norm, but also that there are alternatives to this action. Conformance of an action due to lack of alternatives does not express willingly compliant behavior. On the other hand, a breach of an unaccomplishable norm does not correspond to a breach of an accomplishable norm, as the will and effort of the non-compliant individual can still match with the common will of the social group.

The social anthropologists Kluckhohn and Kluckhohn Rockwood do not offer a system focusing on each value-based decision or setting up social values as quasi value constants, but rather strive to characterize the value composition of a culture by addressing five key aspects of its value orientation: (1) human nature orientation, (2) man-nature orientation, (3) time orientation, (4) activity orientation, and (5) relational orientation (Kluckhohn 1951b; Kluckhohn Rockwood, Strodtbeck, and Roberts 1961). In contrast to the previous, dichotomous systems of Durkheim, Weber or Tönnies, each of these aspects – except for the human nature orientation – has three possible answers. Human nature orientation is answered in two dimensions: the current state (with four possible characteristics) and the possibility of mutability (with two possible characteristics). This structural approach towards a description of the value orientation of a group, society or culture relies on surveys of individuals aiming towards a relevant accumulation of similar statements to conclude the value orientation of the particular

group. The approach at first glance seems not unsimilar to Parsons' five dimensions of value properties, however it does not strive to normatively describe dimensions of every role characteristic pervading all aspects of a social system, but rather seeks to descriptively depict general world outlooks of a social group. It goes along with the perspective of values as institutionalized decisions as it has been described by Arnold Gehlen (1940) valid for groups or individuals for an extended period of time. It does not prevent alternative behavior, should the particular situation at hand require a different approach in the eyes of the deciding individual. It rather represents a default approach towards a familiar standard problem. Kluckhohn also concludes that individual values within such a group must at least to a certain extent match with the group's perspective, as major conflicts between the individual and the group perspective would inevitably cause noticeable irritations (Kluckhohn 1951a; Kluckhohn Rockwood et al. 1961). In this respect, this approach does not directly address the nature of a particular value, but does rather represent a tool for identification and comparison of group values, reducing complexity of presumably differing individual value bundles to a degree where comparison of different individuals or groups is possible at all (Hills 2002).

Following a similar approach, the sociologist and psychologist Milton Rokeach (1968) classified the values of a group into 18 terminal values, describing personal achievements an individual strives to accomplish during its lifetime, and 18 instrumental values, describing the manner of daily behavior, which ideally would lead to the achievement of the terminal values described. He does not perceive individual terminal values to vary as such from individual to another but all variations in individual values are a mere question of value priorities within the $6'402'373'705'728'000$ possibilities of value patterns of 18 terminal values, reducing value change to value re-prioritization (Rokeach 1979). Rokeach's definition of value remains close to Kluckhohn by defining values as fixed, directive beliefs concerning desirable goals in life, while attitudes address specific, non-abstract objects in both, a normative and descriptive way.

Williams (1979) categorizes Rokeach's pattern priority orientations in four categories: (1) hierarchy: expressing the higher importance of a value compared to the other, (2) extensiveness of adherence: expressing, which group is affected by the value, (3) universality of application: expressing the criteria to be fulfilled to be part of the group influenced by the value, and (4) consistency: expressing the degree of deontic obligation expected during the implementation of the value. Although Williams does not equal values with beliefs and states that they tend to be broader and more stable in

character, he describes the change of values in an analogous way, detailing the two principal sources of value change stated by Leff (1978), a change of self-conception, or an increase of self-awareness, in ten modes of change: (1) creation: development of a new value out of inner or outer experience, (2) abrupt destruction: sudden disappearance of a value due to a quasi-traumatic event, (3) attenuation: slow disappearance of value commitment and intensity, (4) extension: The area of application of a value is extended to new objects and events, (5) elaboration: The original value is sophisticated with additional rationalizations or a stronger embedding in a sociocultural environment, (6) specification: A rather general value is specified with a narrowed area of application and/or exceptions to the value rule, (7) limitation: Certain values share a common border and change of one of them can result in a limitation of the other without explicitly redefining both values, (8) explication: Values implicitly perceived in an unspecified bundle value are untwisted and formulated as explicit, self-contained values, (9) consistency: values are changed to make the own value pattern consistent by eliminating hypocrisy, incompatibilities with other values, etc, (10) intensity: a value originally equal to other values raises in importance and starts to displace other values and takes a central position as ultima ratio of value-based decisions.

From an interactionist point of view organizational values are not considered essential, as the relevant decisions are made on an individual level. However, decision on the individual level or not made with nothing but the individual in view. The surrounding values will be taken into account by the 'I' as part of every individual's 'self' when interpreting the social 'me'. "If one determines what his position is in society and feels himself as having a certain function and privilege, these are all defined with reference to an 'I', but the 'I' is not a 'me' and cannot become a 'me.'" (Mead 1934:80). Their interaction with and influence on the individual decider, however, are conceded. "While people may act within the framework of an organization, it is the interpretation and not the organization which determines action. Social roles, norms, values, and goals may set conditions and consequences for action, but do not determine what a person will do." (Bogdan and Taylor 1975:15).

A lack of a consensus among sociologists concerning a conceptual framework for research on values is bewailed by Pat Hutcheon (1972), who defines values as generalized, abstracted attitudes, and establishes four conceptual failures of approaches to value characterization: (1) The localization of the source of values in religion despite arising secularization (Parsons 1958), as well as the profoundly broader determination

of values based on non-empirical sources (Kolb 1957) are criticized, as they exclude society or even the individual itself as the source of values, as backed up by Robin Williams (1968). (2) The implicit acceptance of the predominance of society over the individual going back at Durkheim (1897) has been taken for granted by too many writers. (3) As a consequence, values are too often understood along the idea of social conformity, reducing individual perception as a possible motivation for human action, resulting in an "oversocialized view of man and the overintegrated view of society" (Goulder 1959:490). (4) Viewing values as individual expression of objective social norms has, despite early criticism (Faris 1925; Mead 1925), dominated sociology and relinquished the perspective of the individual to psychology. Rokeach's perspective on values as a ranking of instrumental and terminal values (1968) is judged as a relative commitment of the individual to different terms symbolizing cultural ideas, similar to Eckardt's view on values as any standard of judgment considered as obviously desirable by a certain culture at a certain point in time (1968:90), or any other ranking of values according to their broad moral acceptance, which characterizes values as a system of cultural ideals, norms and, consequently, sanctions.

When, on the other hand, defining values as individual beliefs of the desirable, Hutcheon (1972) emphasizes the need for clarification whether values are seen as purely normative, affective or actually both. In her own approach towards a characterization of a value concept, Hutcheon builds on an understanding of values as directly unobservable part of every human being, where the observable tip of the iceberg, the attitudes, are merely a momentary manifestation of all underlying values. These values are neither congruent with cultural ideals nor norms. Individual values are rather under constant influence of the culturally propagated ideals in an individual's social environment, but culture is only one part of the generation and reconstruction of individual values. The decision how to act in a specific situation is "determined by that totality of past experiences, which has provided him with his knowledge and shaped his values" (Hutcheon 1972:181). Similar to the process of physiological evolution where all past generations and their reactions to and selections by their surrounding are included in the current genetic code without the possibility to backtrack single events, individual values are a result of past (inner and outer) experience cast in values as institutionalized shortcuts of concentrated experience². Since an individual does not stop to experience, values can never be considered to be static or stable. If, however, values are

2 This views goes along the same lines as Arnold Gehlen's (1940) view of values of institutionalized decisions, however here this process of institutionalization is scaled down to the scope of the individual, rather than on the level of society or social group.

considered not to be ideals, norms, or beliefs about the good, but instead operational templates for individual action, they cannot be directly observed, not even by the individual harboring those values. Thus, values can only be derived from an individual's actions and not from what an individual propagates as ultimate goals or desired state of being.

Michod (1993) looks at values as evolutionary traits and considers the fact that action is not derived from prior value announcements but from a mix of all experiences in life so far as an evolutionary advantage, while Franklin seconds this perspective by remarking that "the development of the ability to evaluate was a major step in the evolution of complex organisms" (Franklin 1993:274). Rigid values, unchangeable from the moment of proclamation, would share the main features of genetically encoded behavior regulation: relative immutability. The flexibility of values, however, allows for mutability, where limits are only set by the social environment. Developed in a group, values can accumulate knowledge across generations and trigger a cultural learning process. Learning on a cultural level – e.g., by modifying or expanding the group values – is supported by a stable environment, where the new acquired knowledge can be applied by many, often. Consequently, unstable environments foster individual learning and thus value building, as "[t]he evolutionary advantage of value systems lies in their flexibility in coping with varying environments and changed circumstances" (Michod 1993:270). To which degree a social value system is able to show flexibility and accommodate new values, is mainly influenced by its transmission type. Vertical cultural transmission tends to conserve the existing values, while horizontal transmission rather supports the acceptance of new ones. (Cavalli-Sforza 1993:312)

In the first European Value Study (EVS) in 1981, initiated by Jan Kerkhofs and Ruud de Moor and following an entirely different path, a catalog of over 150 questions accompanied by demographics questions and questions related towards the impressions of the interviewer is used to capture a snapshot of how Europeans across 16 countries think about life, family, work, religion, sex, politics, and society (University of Tilburg 2011a). As this study generated a large, international interest, it was repeated in 1990 (29 countries), 1999 (33 countries), and 2008 (47 countries). The collected material was object to extensive research by many scientific disciplines and the results and analysis of surveys were published in two issues of the Atlas of European Values (Halman, Lijkx, and Van Zundert 2005; Halman, Sieben, and Van Zundert 2011). These two books are aimed at "presenting the values, norms, beliefs, attitudes and opinions of

Europeans" (University of Tilburg 2011b), disclosing the rather broad understanding of the term values held by the scientists involved. The spectrum of topics is accordingly extensive, reaching from questions aiming at inquiring the desirability of modes or actions³ to questions addressing habits⁴, self-perception⁵, interests⁶, personal background⁷, political background⁸, perception of the surrounding world⁹, etc. Inspired by the results of the first EVS in 1981, its second wave in 1990 was mirrored by the World Values Survey (WVS), mainly on the initiative of Ronald Inglehart, and further countries were added to the survey. Follow-up surveys with a comparable broadness of questions have been made by the WVS in 1995, 2000, 2005 and 2010-2012, capturing on a global scale how answers change over time, across generations, religious groups, professions and other particular social groups and what cultural cluster they are part of on a global scale (Inglehart and Klingemann 1996; Inglehart and Welzel 2010). Inglehart's post-materialistic value concept bases on Maslow's hierarchy of needs (1954) and describes values as a uni-dimensional, linear development from materialistic values to post-materialistic values. The development of post-materialistic values is mainly influenced by the prosperity of a society. As the lower, materialistic needs in Maslow's hierarchy are satisfied in an affluent society providing all kinds of safety nets for their members, they move up the hierarchy and shift their desires to post-materialistic values (Inglehart 1990). In the WVS the progress along the linear development from materialistic to post-materialistic values is depicted in four values types. Post-materialists for instance prefer freedom of speech and a stronger involvement of the people, which materialists rather go for keeping the economy stable and fight against crime. The two remaining value types are mixtures of the two ideal types, the materialistic post-materialist and the post-materialistic materialist. Klages' concept of values, the 2nd value concept used in the WVS discussed here, sees the perspective towards authority, conformity and gratification as differentiating value aspects with the antagonistic value orientations of "obligation" and "convention" (Klages 1984:39), "self-fulfillment" and "distance from authority" (Klages 1984:53) and "hedonism and materialism" (Klages 1984:58). In contrast to Inglehart's conception, Klages perceives values as multi-dimensional, so individuals may hold conflicting values across all three dimensions, lead-

3 e.g. "Which qualities do you consider important for children to be encouraged to learn at home?"

4 e.g. "Could you estimate how many hours you spend on an average weekday [...] watching the TV?"

5 e.g. "All in all, how would you describe the state of your health these days?"

6 e.g. "Which of these statements comes nearest to describing your interest in politics?"

7 e.g. "During the time you were growing up, would you say that your father and mother were very close to each other, quite close to each other, not very close or not at all close?"

8 e.g. "To which party do you consider yourself close or not to any particular party?"

9 e.g. "Would you say that most people can be trusted or that you can't be too careful in dealing with people?"

ing to a total of eight ideal types and different possible mixtures in-between (Held et al. 2009).

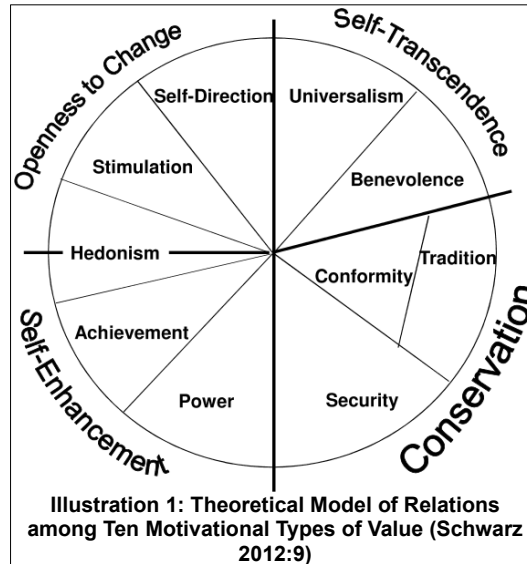
The 3rd and last of the value concepts used in WVS mentioned in this overview, Shalom Schwartz's Value Circle (1992b), defines values as beliefs associated with emotions and directed towards desirable goals, motivating action. Values underlie and generate attitudes, which are evaluations (good vs. bad or desirable vs. undesirable) of objects, people, actions, events, etc. both on an abstract or specific level. If the object of such an evaluation collides with the principles of values an individual cherishes, it will be evaluated negatively and vice versa. Beliefs, in contrast, are ideas about how true it is that things are related in a certain way, e.g., 'war never solves problems'. When widely accepted within a society they can become social axioms, but they still merely point out the subjective probability of a certain relationship and not the importance of certain goals as guiding principle. Norms, however, are seen as code of behavior regulating individual actions of the members of a social group. The values held by an individual determine the level of acceptance or rejection towards a certain norm. Finally, traits describe a standard, desire-driven behavior pattern of an individual, which can be but does not have to be backed up by a corresponding value. They solely describe how people are and what they do, not what they value, thereby resolving the concomitance of normative and descriptive attitudes. Values are not tied to specific situations or activities, they rather serve as general criteria to evaluate actions, policies or events on a good-bad scale. They often operate unconsciously only coming to an individual's conscious attention if the object of judgment has different implications for different values of importance. Values can be ordered by importance and the sum of importance of all, often contradicting, values activated in a specific situation, their relative importance, triggers the action specific to this context (Schwartz 1992b, 2006; Schwartz and Bilsky 1987). Schwartz's universality of values bases on the idea that all human beings have to cope with the same basic needs, as they are all higher, biological organisms, they all have to coordinate interaction and the survival and well-being of a group is essential to all human beings. Schwartz isolates the following ten universal human values, derived from these common human needs: (1) self-direction: an individual's need for control, autonomy and independence, (2) stimulation: an individual's need for variety to keep a positive level of activation, (3) hedonism: an individual's need for pleasure and self-indulgence, (4) achievement: an individual's need to succeed and to demonstrate competence and a group's need to reach its objectives, (5) power: an individual's need to shape its environment, as well as a group's need for social struc-

tures with some kind of power gradient, (6) security: an individual's need for safety and protection, as well as a group's need for stability and integrity, (7) conformity: an individual's inhibition to clash with other individuals, as it includes risks and a group's need for stable rules of cooperation, (8) tradition: an individual's and a group's need for predictability, simplification by institutionalization and an own identity, (9) benevolence: an individual's need to uphold the welfare of its in-group, satisfying the need for affiliation, and a group's need for smooth group functioning and regeneration, (10) universalism: the individual's need to treat others with care to provoke a similar response and a group's need to conserve its environment to avoid sparsity of resources. Schwartz states that any action in pursuit of any value inevitably causes conflict with some values and compliance with others (Schwartz and Bilsky 1990). An individual does still feel the need to pursue conflicting values. However, it aims to do so through different actions and in different contexts, accepting the fact that such actions might be seen as psychologically dissonant and that other might sanction them due to the inconsistency between some of their proclaimed values and some of their actions. Such a perspective has earlier already been brought up by Rokeach (1973) and Tetlock (1986), but it has not been widely acknowledged before that, "attitudes and behavior are guided not by the priority given to a single value but by tradeoffs among competing values that are implicated simultaneously in a behavior and attitude" (Schwartz 1996:121). This area of value conflict is illustrated by Schwartz's Circle of Values, laying out the conflicting basic values¹⁰ and at the same time grouping them into two axes of conflict (see illustration 1, (Schwartz 2012:9)): One axis expresses the contrast between the values upholding independence of action, emotion and mind, as well as acceptance of change and innovation, and the values advocating order, self-restriction, conservation of the past and rejection towards change and novelty. The second axis illustrates the opposition of values endorsing the welfare and interests of others against the values emphasizing the personal success, pursuit of own interests and the dominance over others.

10 Tradition and conformity share the same sector of the circle, as they are viewed as the same motivational goal. Tradition is placed on the outer edge, since it is more abstract and absolute and will therefore collide more strongly with opposing values.

Despite the fact, that this value conception obviously distinguishes ten different values, it does not clearly differentiate one from the other nor does it insist of their number. The circular form is rather an expression of a value continuum linking values together in 12 areas of overlapping, where neighboring values share a common quality: (1) Power and achievement share the aspect of social superiority and social esteem, (2) achievement and hedonism share the

goal of self-centered satisfaction, (3) hedonism and stimulation share the desire for affectively pleasant arousal, (4) stimulation and self-direction share the interest for novelty and mastery of the new, (5) self-direction and universalism share the focus on the own judgment in the acceptance of the diverse other, (6) universalism and benevolence share the support of others and the overcoming of selfish interests, (7) benevolence and tradition share to orientation towards the own in-group, (8) benevolence and conformity share the normative promotion of close relationships, (9) conformity and tradition share the guiding function of socially imposed expectations, (10) tradition and security share the emphasis on existing social structures and the certainty arising from them, (11) conformity and security share the goal to promote harmony and security in relations, (12) security and power share the control of relationships and resources to promote security. The consequence of this approach of overlapping values is twofold. On the one hand, the classification of the circle of motivational values into ten labeled values is a purely random choice to increase conveyability. Every other number of wedges would be as valid, as long as their labels would be adjusted accordingly and their number serves the objective of the analysis. On the other hand, it demonstrates that every value has an integrated relation to every other value. While values in close proximity to each other have a high degree of motivational similarity, a greater distance between two values indicates antagonistic motivations (Schwartz et al. 2012).



Van Deth and Scarbrough's (1995) criticism of Kluckhohn's broadly used value definition addresses its circularity, by bringing up the question, whether a value is valuable due to the fact that it is desirable or whether it is desirable based on its quality as a value. Additionally, he concludes that since desire is a pre-requirement to values, ac-

cording to Kluckhohn, it cannot be part of their definition and finally establishes that "searching for a nominal definition of values is senseless (van Deth and Scarbrough 1995:28)". Instead, he settles with Kluckhohn's "conceptions of the desirable (1961:405)" and establishes that: (1) values cannot be observed directly, (2) values engage moral considerations, and (3) values are conceptions of the desirable. The conception of the desirable, is implicitly directed towards action, including judgment, decision, selection, evaluation, etc. Values are not actions themselves, yet they set a goal to be reached and thereby inherently define actions to succeed and satisfy one's values. However, even though there is an obvious connection between values and action, there is no direct relation between them, allowing to map values to actions (or behavior) and vice-versa (van Deth and Scarbrough 1995). Values are part of an individual's personality and at the same time they are a social concept (Farr 1990), influenced by social exchange, as countless impressions rooting in our social environment formed and form our perception of the world and thereby our values, resulting in shared values among members of a social group, as a stable social group requires a minimal congruence of values (van Deth and Scarbrough 1995; Kluckhohn 1951b; Mead 1918; Weber 1922). This perspective rules out a fixed, long-term static character of values, as the social environment of an individual is in the majority of cases subject to change during the course of human life and exposure to differently lived realities (Berger and Luckmann 1969) has its impact on an individual's values. Hence, universal human values are merely to be attributed to the fact, that human lives share a certain similarity due to common roots. The higher the "multi-worldedness of people's lives" (van Deth and Scarbrough 1995:36) the lower the probability of universal conceptions of the desirable.

Value research in social sciences in the last two decades of the 20th century is heavily criticized by Helmut Thome (2003a) for its strong focus on surveys and the interpretation of empirical data (especially the surveys and data interpretation of the WVS) and the corresponding lack of theoretical foundation or progress in the conceptual elaboration of the term. While he generally agrees with the classic definition of a value brought up by Kluckhohn (1951b), he points out that values also influence the interpretation of the past. They ex-post explain motives and raise expectations concerning future actions, not only for own actions but also for others, becoming an important tool of social control. He furthermore references to Luhmann's objective (what is the value about?), social (for whom are values indeed valuable and to what extent is the social consensus only fictional?) and temporal (when are values internalized or institutionalized and for how long?) dimensions in his definition of values as individual perspectives of the ideal

(Luhmann 1984), which during their situational implementation accept the violation of other values in favor of the chosen one (Luhmann 1973). This generally happens without an according explanation, as values are mostly treated as truths, which do not have to be explained and advocated for. If implementing values, however, always means disregarding other values, this preference has to be either communicated to the agent's surrounding or deemed to be well-known and shared, or at least accepted, if frequent social irritations are to be avoided. As value change is characterized by the fluctuation of the probability of higher and lower generalizations across the three dimensions of value, Thome strongly advocated for an explicit and concurrent coverage of all three value dimensions (2003b:25).

This selection of authors and approaches towards the topic of human values is only a brief account of the debate on values and does justice to the topic of social values only to a very limited extent. Nevertheless, it serves the purpose to get an impression of the nature of social values, detailed enough to differentiate them from corporate values and therefore indicate the need for a thorough investigation of the characteristics of corporate values.

2.1.2 Summary

A consolidation of the characterizations of values across the literature discussed in chapter 2.1.1 reveals three perspectively different approaches: Firstly, there is the systemic approach represented by Durkheim's (1897, 1999) or Parsons' (1964b; 1951b) views, where values exist as latent, unseizable features, inherent to a social group, permeating the behavior of all acting elements to a similar, high degree. Deviant, anomalous behavior is either not to be expected or leads to either correction or exclusion of the individual. Value change comes slowly in these systems, as it happens gradually, either on a broad scale over time by small adjustments of the socialization process or through narrow changes in social sub-systems, leaving the rest of the social system sufficiently time to successively adjust. Social values in this perspective do not root in individually held values but are rather an expression of desirable goals of a non-empirical origin rooting in religious, spiritual or moral conceptions. They are beyond the reach of the individual and as such rather static, internalized origins of norms expressing the frame of the acceptable within a normative system.

Secondly, there is the individualistic approach, where values are understood as an expression of individual preference of mode or action. However, within this perspective

upon values the nature of preference is subject to variations. Mead (1918, 1925) and Geiger (1947) perceive values as first step towards explicit norms, responsible for repetitive behavior of the individual, although alternative behavior is conceivable and has to be expected with a certain probability. Norms, and therefore also values as their essential origins, are the constituent element of a social group, rendering possible higher forms of social organization and therefore achievements. Individual behavior can be motivated by impending sanctions but for an individual embedded in a social group, the respect of the other group members can be of a higher importance, rendering pure cost-benefit consideration virtually irrelevant. Weber (1919, 1922) already implies that values of the same person can conflict, without manifesting a psychological anomaly and that value-motivated actions can be oriented on a larger time-scale, leading to the acceptance of situationally irrational behavior. Major deviations between individual values and value propagated by a culture or peer group can lead to a loss of respect towards it or even a de-authorization of the group (or certain group members). Kluckhohn (1951b) and Rokeach (1968, 1973) both share the view that a certain congruence of values has to exist as a pre-requirement for a stable social group, but while Kluckhohn strives to determine values by clarifying individual perspectives towards a standardized set of questions, set up to characterize a person's worldview, Rokeach strives to depict any characteristic of values by ranking different (instrumental and terminal) values on a standardized value list. The origin of individual values is commonly rooted in socialization and cultural ideals and is therefore rather static, even fixed. This view is later on challenged by increasing the importance of the individual view, comparing the life experience of an individual to a never-ending evolutionary process forming the individual's values (Goulder 1959; Hutcheon 1972). Van Deth and Scarbrough (1995) express a similar perspective by declaring values to be a phenomenon of social interaction and concluding that universal values are only to be expected if the experience of social interaction made by all individuals matches universally. They also point out a principle definition problem of values as expression of the desirable. Are they values because they are desirable or are they desirable due to the fact that they are values? If desire is a pre-requirement of values, it cannot be used in their definition. They conclude that values can merely be defined as conceptions of the desirable, accepting this rather vague description against the backdrop of the complex interdependence between values, desires and experiences (van Deth and Scarbrough 1995).

This summary concludes with the dimensional approaches towards value definition, describing values on a single- or multi-dimensional scale. Inglehart's (1971) scale

reaching from materialistic to post-materialistic allows for two extremes and a theoretically infinite number of intermediate types. However, due to practicability Inglehart limited the number of intermediate types to two. Klages' three-dimensional depiction (Klages 1992:22) of values allows for a higher variability as it uses three axes to characterize each value expressed by an individual. Consequently, even operating with two intermediate types per axis as in Inglehart's approach increases the representable complexity, although the number of possible intermediate types is obviously also infinite. Schwartz (1992b) increases the number of axes to the point, where they do not form distinguishable axes anymore, but rather the continuum of a circle. All values can be located on this circular continuum in a granularity to be chosen by the researcher depending on the question(s) to be answered. There are, however, two axes of conflict crossing through the circle separating values between conservation of the past against acceptance of novelty on the one hand and between the interests of others against personal interests on the other. Dimensional approaches commonly rely on surveys and the interpretation of empirical data. Thome (2003b) expresses grim criticism regarding the theoretical foundations of the scientific interpretation of this broad and heterogeneous data, designating Parsons as, "the last theoretician able to guide empirical research with his value research. (2003b:5)"¹¹. In the endeavor to provide empirical research with a sound theoretical foundation, he turns towards Luhmann's conception of values as constructions of meaning or conceptions of the ideal with an objective, temporal and social dimensions (Luhmann 1984) and strongly promotes a clearer embedding of all three value dimension.

11 Translation by author

2.2 Corporate Values in Social Sciences

The following chapter describes different approaches towards corporate values in contrast to the value concepts discussed in chapter 2.1. First, an outline of the historical origins and concomitants of the idea of corporate values is discussed using the example of the development of Corporate Social Responsibility (CSR), its goals, and its perception in public. After having established where the concept of corporate values stems from, this chapter describes their common structure and the close connection between corporate values and corporate culture. Finally, a look at sociology of management reveals the challenging relationship between corporate personnel and corporate values, the difficulties in the documentation and reporting of corporate values, as well as the dilemma of communication of corporate values to individuals already harboring individual values.

2.2.1 *Concepts of Corporate Values*

In contrast to human beings, corporations¹², for centuries, did not harbor values, but merely commercial goals. They were, and still are, legal bodies constituted under authority of law by an association of individuals, having unceasing existence independent from the persistence, liability or capability of their members¹³. They are controlled by their members (holding shares of the corporation) often by delegation of the day-to-day operation to management executives. As corporations have an own, legal personality they are held liable for their actions instead of their members or directors (Kraakman et al. 2004; Stokes 1986). For centuries, corporations were strictly regulated, restricted to certain activity, areas and often under participation and/or supervision of the state. In the late 19th and early 20th century, however, corporations faced fewer and fewer restrictions expanding the range of their activity to a level never known before. Corporations in the United States had, for historical reasons (Polanyi 1957), incomparably fewer regulations and restrictions than their European competitors and soon the newly developed phenomena of that period strongly resembled the features of modern neo-liberalism: increased dominance of finance, rise of large institutional investors, decline of collective bargaining, increasing growth of a non-standard working career, retrenchment of large parts of the welfare state and increased income inequality (Hanlon 2008:164).

12 The term corporation is used in this dissertation to exclusively describe commercial business corporations, as opposed to e.g. political, religious or scientific corporations.

13 The term corporation is colloquially often used synonymously with the term firm or company, but not every firm or company is a corporation with the specific character of an association of members with the goal of a common business enterprise.

The single most important aspect of CSR in the first decades of the 20th century, however, was the employment relationship. After workplace regulations in the United States were obliterated to a high degree, organized labor was largely disempowered and the relations between corporate management and workforce became more and more violent (Lambert 2005), the leaders of the large corporations became in the public perception responsible to manage their working force in favor of productivity, but also labor peace and social legitimacy. Being heavily dependent on the cooperation of the workforce locally available to satisfy the huge worldwide demand for American products, corporations at that time did not refrain from using legal and more and more often also violent force to protect their interests. At the same time, they felt the pressure to "win the hearts and minds of the public" (Gillespie 1991:17), since the perception of a corporation by the consumers and the political decision makers was thus largely dependent on the corporation's way to deal with its workforce, not least under the impression of the Bolshevik revolution, and influenced far-reaching decisions, such as the acceptance of higher prices or a higher trust regarding product safety by the consumers or the tolerance of market dominance by the policy makers (Brody 1993; Marens 2013).

After World War I, large corporations began to run advertising campaigns regarding the working and safety conditions in their production halls linking these circumstances to the quality and safety of their products. Henry Ford caused huge public attention when hiring social workers to upraise the living conditions of his workforce, as did Walter Kohler when he offered his workers affordable housing, safe working conditions and free medical care (Hoy 1995). In the 1920s corporations began to standardize their management training to reduce arbitrariness counterproductive supervision. The Hawthorne experiments even made the first effort to put management on a scientific basis e.g., by researching the relationship between fair management techniques and worker motivation and loyalty (Landsberger 1958). During this period and until after World War II, CSR in the United States, as by far leading industrial country, was mainly rooted within corporate leadership, labor unions and investors. It was not until the 1950s, that academia took hold of the subject, fueled by the post-war growth of higher education (Khurana 2007). The academic authors reflected the topic against the backdrop of their own scientific discipline and defined what CSR ought to be accordingly. Business schools engaged in the research of "business and society" during the 1960s and 1970s but the problem of CSR was increasingly looked at as either left-wing politics or an excuse to neglect the shareholders (Friedman 1970; Marens 2010).

After the unshackling of the US corporations in the 1980s through massive deregulation caused a new period of corporate freedom, which caused business ethicists, often with a philosophical background, to enter the CSR discussion. Approaches like stakeholder management (Freeman 1984) or social contracting (Donaldson 1982) were brought up and found their institutional expression in the Institute for Corporate Ethics and other similar establishments (Marens 2013). As soon as questions about corporate morality, as opposed to the morality of corporate leaders, entered the broad scientific discussion about CSR, the conception of corporate values was born. The main disparity between the new, academic discussion of CSR and the one lead more than half a century before, was the diminished focus on the workforce relationship. In the beginning of the 20th centuries corporations depended on a cooperative local workforce. This workforce was part of the community consuming and above all producing the goods, therefore enraging them could painfully influence business. Technological progress by the end of the 20th century, however, provided the basis for large-scale outsourcing, global supply chains and finance as an own business model, radically shifting the dependency between workforce and corporation and thereby the level of abstraction of the scientific discussion (Marens 2013; Pollin 2003).

Contemporary definitions of CSR cover a broad range of addressed topics, often emphasizing a certain facet of the kaleidoscope CSR (van Marrewijk 2003). Nevertheless, five target dimensions of most CSR definition can be elicited: (1) stakeholder dimension, (2) social dimension, (3) economic dimension, (4) voluntariness dimension, (5) environmental dimension. Statistically there is a 97% chance of getting more than half of these dimensions in a random corporate definition of CSR (Dahlsrud 2008). The fact that CSR strategies and their specific deeds nevertheless vary to a much higher degree among corporations points out that those dimension do not come with any instructions exactly what should be strived for and how and to which degree it should be reached. They merely indicate what topics have been considered to be vital to address in any way under the evolutionary pressure of the survival conditions in the current environment (van Marrewijk 2003). In approximately the same time-period as CSR began to surface in its modern, academic, ethical form, the concept of sustainability came to the attention of a broad public with the prominent definition presented by Gro Harlem Brundtland (World Commission on Environment and Development 1987). Even if, at least originally, aiming at slightly different angles of the same concern, concepts like sustainability¹⁴, corporate social responsibility, corporate citizenship, corporate con-

14 Including derived concepts like sustainable management, sustainable development, etc.

science, business ethics, etc. all strive to confine (corporate) freedom of action to accomplish a higher good and are therefore value-based beyond Friedman's (1970) only corporate value. The postulated concept of sustainability was clearly not exclusively aimed at the lifestyles of individuals but included the way corporations conduct their business and make their future-oriented decisions. As sustainability is not merely a pre-defined collection of activities to perform or measures to implement (Burger 2006; Kassel 2012; Kidd 1992; Kleine and von Hauff 2009), deeper adjustments, a change of corporate culture was called for (Crane 1995; Joyner and Payne 2002; Post and Altman 1994; Stead and Stead 2009).

The definition of corporate culture, however, is a contentious one, lacking a broad consensus (Ashkanasy, Broadfoot, and Falkus 2000; Crane 1995; Hofstede 2011; Lunenburg 2011; Schein 1999; Smircich 1983; Zyphur and Islam 2009). Nonetheless, one of the common elements of the different perspectives upon corporate culture are corporate values (Eccles, Ioannou, and Serafeim 2014; Linnenluecke and Griffiths 2010; Ott 1989). These values are predominantly defined along the line of Rokeach's (1973) definition of beliefs that help companies make choices among available means and ends. In the widely used and agreed upon differentiation of three levels of corporate culture (Schein 2010) however, corporate values are defined in contrast to corporate artifacts, the specific manifestation of corporate culture, and learned, shared tacit assumptions, as the accumulation of shared experiences made by the group over a longer period of time. Corporate values in this perspective are the bridging element between the experience-based motivation and the reified manifestation in artifacts. Hence, Schein often talks about "espoused values" (Schein 2010:15) and accepts the fact that the same espoused value can base on totally different experiences and world-views and lead to entirely different artifacts without being contradicting. Corporate values act as labeled expectations towards the employees and therefore in a corporate culture frequently point out self-perceived weaknesses and the wish of the management for a system-inert, wondrous solution (Lencioni 2002:114; Schein 1999:49). If corporate culture is at the same time "pattern of behavior" and "pattern for behavior" (Oswald and Kompa 1987:200) and the shared, tacit assumptions are the descriptive approach towards commonly share corporate reality, corporate values in this context must be perceived as normative elements exclusively expressing the directive intention of the value declarators.

Likewise, sociology of management also widely perceives corporate values as normative element. However, having a management centered view, corporate values are perceived in two ways: (1) In an internal perspective, corporate values are rather seen as the result of the individual values of the managerial staff. These individuals shape the way of corporate business, or at least the part they can influence due to their function within the organization, by exerting normative influence on countless individuals and situations. The cumulative effect of these situations constructs a corporate value consisting of the rather uncontrollable sum of the individual value parts (Buß 2011; Hopner 2004; Pohlmann 2008, 2011; Reed 1989). (2) From an external point of view, corporate values are a way of communication from the virtual corporate agent towards its stakeholders. Such communication aims at a stable, positive corporate image perception by all stakeholders, which inevitably leads to the problem to satisfy contradicting expectations (Buß 2011; Reed 1989; Vogelsang 2004).

The way to handle such situations often leads to a strategy also pursued by individuals. The value communications towards each stakeholder group is formed in a way implying maximal value congruence, resulting in an as-if communication pretending to fully satisfy the value set of several roles, even if they are clearly excluding each other (Antorini and Schultz 2003; Goffman 1956; Krappmann 1971). Consequently, such value communication has a high tendency towards contradicting messages and an obscure main direction of thrust (Stevens 1994) and thus only a very limited usefulness when it comes to value-based strategic decisions.

To mitigate this communication gap, Wenstøp and Myrmel (2006) propose a classification of corporate values into three categories, along ethical concepts of valuable actions: (1) Core values describe the corporation's character, its way to act. They are a characterization of how things are done. This category builds on the concept of virtue ethics listing a composition of virtues that have to be observed in every decision to achieve virtuous actions. (2) Stakeholder values list the identified and accounted for stakeholders, as well as the goals the corporation is pursuing in their interest. Consequentialisms, the basis for this category, is focusing on the results of actions, rather than the way how the results are achieved, following the motto 'the ends justify the means'. (3) Standards and procedures, identifying all standards the corporation is voluntarily respecting e.g., standards concerning processes, quality, reporting, health protection, etc. This category bases on the idea of rule-based ethics not focusing on the consequences of an action but primarily relying on following wisely formulated manuals

and instructions resulting in an ideal bureaucracy (Weber 1922). A special category defying the criteria above are protected values. Such values are characterized by their trade-off resistance (Baron and Spranca 1997). They will not be exchanged, even for a higher good, as there is by definition none high enough to justify such a decision, whatever the consequences. Such values are in practice rarely absolutely untradeable, as there are in most cases imaginable extreme situations, where trading off protected values becomes an option, especially when protected values should be traded off against each other. However, such a trade-off is never conceived as a good solution to the situation. Due to the different value concepts acting as foundations for action-decisions, a separate value reporting along these lines is recommended by Wenstøp and Myrmel (2006). Corporate value statements prevalently contain all three categories of corporate values, emphasizing stakeholder values most and standard and procedures least. Empirical analyses also reveal that value statements are hard to find in the corporations' web pages, as they are not concentrated in one place but have to be tracked down across numerous documents (Wenstøp and Myrmel 2006:682).

Time as a factor of value categorization, as proposed by Ketola (2008), aims at the time-frame of value evaluation as distinctive feature. As today's economy is predominantly oriented towards time horizons of a quarter possibly a year, goals like preservation of nature or inter-generational justice cannot be perceived as valid goals of a consequentialistic perspective, as the consequences cannot occur within the assessed time-frame, and therefore have to be perceived as goals of virtue ethics. The same value with a considerably larger time-frame, however, could perfectly fit a consequentialistic value approach. Schwartz (2005) in contrast proposes to simply align and assess corporate values along the six universal values distilled from global ethics, existing corporate values and business ethics literature: (1) trustworthiness, (2) respect, (3) responsibility, (4) fairness, (5) caring, (6) citizenship (cf. comparison of corporate foundation principles (Waddock 2004:315)).

While internally, individually rooted corporate values are implemented in the daily business of a corporation already by definition, the externally motivated corporate values have to artificially be made a part of the organization (Thomsen 2005; Webley 1999). This can either happen by the appointment of certain individuals into boards and committees, thereby turning them into internally motivated values, or by shaping corporate policies and processes in a way to enforce behavior compatible to the proclaimed, externally motivated corporate values (Reshetnikova 2010; Thomsen 2004; Vogelsang

2004). Declaring well-formulated values, whether in policy-form or not, will, however, not provoke any desired change in behavior, if the people implementing the change in the daily routine either do not listen or do not hear and understand what their leaders are trying to express. Corporate values will never outclass individual values in their implementation priority (Stewart 1996). Therefore, they are instantly rejected if they suffocate individual values and, if accepted, interpreted against their backdrop. To keep the difference between communicated value and implemented value low, the recipient of a value communication has to have well-founded reason to trust the communication, which is why the newly proclaimed values have to fit into the already experienced corporate culture. If e.g., the performance measurement system is set up to measure individual performance and the management declares team performance to be a central value of the corporation, employees will detach from the directive management giving them and revert to their own compass, as the superiors are clearly not to be trusted. This might even comprise other values they normally would not object to, had their trust relationship not been violated (Farnham 1989; Stewart 1996).

Even if the first communication of corporate values has been successful, a continuing implementation cannot be expected, as the interpretation and re-interpretation of values is an ongoing phenomenon. If values are not constantly refreshed and sharpened they will dismember in uncountable fragments of individual re-interpretation, against the backdrop of individual values and situational opportunism (Stewart 1996).

2.2.2 Summary

The idea that a legal entity like a business corporation could or would have own values is a rather new one. It has its roots in the actions of business-owners in the United States who expanded their individual values onto the way they were running their corporations, on the one hand, and, on the other hand, in the pressure a corporation feels, if it has to recruit its workforce in the same social group as it tries to sell their products (Brody 1993; Gillespie 1991; Hoy 1995). This social group can be defined by geographical borders but does primarily have to possess an inner cohesion and a sense of community, which can lead to a rejection of a corporation and its products not due to own bad experience, but due to social solidarity (Marens 2013).

It was not until the last decades of the 20th century with their huge technological revolutions allowing for outsourcing on an unprecedented scale, global supply chains and global markets, freeing first large, then step by step also smaller corporations from

the limits of a local working force and a local market, that the term of corporate values emerged on a broad scale, as a reaction of an academia beginning to discuss CSR and its importance on an ethical level (Pollin 2003). Both, the initially rather socially oriented CSR and the at the beginning well environmentally aligned concept of sustainability build on morale premises, in the corporate environment depicted in corporate values. Hence, to express that the need for change goes deeper than individual policies, a new way of thinking, new corporate cultures have been called for, even though corporate culture is a term with numerous, partly even contradicting definitions (Ashkanasy et al. 2000; Crane 1995; Hofstede 2011; Lunenburg 2011; Schein 1999; Smircich 1983; Zyphur and Islam 2009).

Corporate values are part of most models of corporate culture (Eccles et al. 2014; Linnenluecke and Griffiths 2010; Ott 1989) and are in the widely accepted model of Edgar Schein (1999) a connector between collective assumptions, a group has in common due to commonly made day-to-day experiences with a corporation's de facto processes and procedures, and all the artifacts a corporation is using to establish and run its business and to put itself to display while doing so. By linking descriptive common assumptions with the observable surface of a corporation, its artifacts, values are defined as normative element bridging this gap. By comparing and combining corporate values, globally existing codes of ethics and literature addressing business ethics, Schwartz (2005) identifies the appropriate, fundamental characteristics of this normative element by assessing it against a compilation of corporate values representing the universal core of ethical corporate behavior every value statement should be matched against. Under the same premise of corporate values acting as normative element, sociology of management recognizes two ways of value implementation in a corporate structure. On the one hand, individually held values can be seen as main source of value influence in a corporation, hence altering the personnel composition of a steering board is an effective way to change the board's values (Buß 2011; Hopner 2004; Pohlmann 2008; Reed 1989). While this approach might obviously be quite effective in influencing the value composition of specific committees, panels or small enterprises, it threatens to be complex and laborious to manage an international corporation's values with this method based upon virtue ethics and consequentialism (Wenstøp and Myrmel 2006). Altering the inert values of possibly hundreds or thousands of people by proclaiming corporate values cannot be expected to be met with great success, as individual values outclass corporate values (Stewart 1996) if they not happen to be similar from the very beginning.

On the other hand, the focus is not on individual values influencing the corporation's actions, but rather following a duty ethical approach, by releasing policies limiting the freedom of action of each individual in a way that only allows actions according to the corporation's values (Reshetnikova 2010; Thomsen 2004; Vogelsang 2004). Even such an impersonal approach, however, might stumble across the human factor, as corporate values tend not to be stable in practice. As soon as they have been communicated, each of the value recipients starts to interpret and re-interpret them against the backdrop of their individual values. Even if a value rejection, due to a collision with the individually held values and therefore a possible contempt for the value declarators, can be avoided, a gradual value shift towards the individual values has to be expected. Consequently, corporate values of any kind have to be constantly re-clarified and exemplified to allow for a somewhat homogeneous understanding (Farnham 1989; Stewart 1996).

2.3 Result

Applying the criteria and properties of values discussed in chapter 2.1.1 to the statements describing the functions and characteristics of corporate values reviewed in chapter 2.2.1 reveals that corporate values are generally perceived as values featuring vaguely the same qualities as individual values with the exception that they are, obviously, not held by a physical person but by a virtual, juristic one. The lack of concern about this difference is visible in view of the fact that most authors addressing corporate values (e.g., in the context of CSR or corporate sustainability) do not worry to provide a definition of values in the first place (Kidd 1992; Post and Altman 1994; Smircich 1983; Stewart 1996; Vogelsang 2004) or resort to a definition of individual or social values without emphasizing the differences between the subjects of these individual definitions and the nature of corporate values (Joyner and Payne 2002; Maksimainen, Saariluoma, and Jokivuori 2010; van Marrewijk 2003; Thomsen 2005).

The attempt to characterize the functions and structure of corporate values using concepts stemming from the domain of individual or social values based on current literature mentioned above fails as crucial problems remain unconsidered:

- Corporate values are always rivaled by individual values and their probability to lose in a direct conflict is considerable, as they are typically not held as dear as personal, individual values.

- Corporate values cannot be idealistic values, as a corporation does not have ideals. However, humans do often harbor idealistic values and can take these as a basis for the alignment of corporate values. This, nevertheless, does not turn corporate values from functionalistic to idealistic.
- Corporate values are interpreted and translated into decisions and actions by numerous people. They are prone to instability, as the probability of every single person doing the interpretation and translation exactly the same way as all others is indirectly proportional to the time passed since the last value conveyance.
- Corporate values can be perceived as a sum of all individual values represented in a corporation. Alternatively, they can be seen as guidelines to be followed by all members of the corporation under threat of punishment, dictated by the value declarators. Neither of these perspectives is wrong, nor does either of them explain the entire picture.

Having provided an overview of the literature concerning values on an individual and organizational level as well as the aspects arising from applying concepts covering individual and social values to corporate ones, in this chapter, the following chapters will establish concepts of corporate values and their functionality (chapter 3) reflecting the concerns discussed above, before identifying the elements needed for a corporate value framework (chapter 4) and discussing the construction of the framework itself (chapter 5).

3 Concepts of Corporate Values

The goal of this chapter is threefold: (1) to carve out the fundamental differences between corporate and human values, while focusing on the social function of the former, (2) work out and elaborate two fundamentally different perspectives on corporate values and all the phases a corporate values might go through, and (3) discuss the functional relevance of value reporting and its structure.

In a first step, this chapter discerns the concepts of individual values from the concept of corporate values, by analyzing and comparing them functionally and structurally. Using value concepts rooted in sociology, psychology and political sciences, the social functions of corporate values are determined. In a second step, the insights from chapter 3.1 are used to discuss different phases of a corporate value with different goals. In this dissertation, an understanding of what a functional corporate value is and what therefore the requirements of a framework describing corporate values are, is based on a comparison between human and corporate values. This design decision builds on the fact that the intuitive perspective to perceive corporate values as the equivalent to human values expressing some kind of desirable attitude or behavior, simply targeting corporations instead of people, dominates the understanding and usage of the term, such as for example used in Hunt, Wood and Chonko (1989), Lee et al. (2005), Nelson and Gopalan (2003) or Schein (2010). Reduced to the question of function, i.e. the pivotal question 'What is its purpose?', numerous scientific approaches towards a definition of social values, such as for example in sociology Hechter (1993), Parsons (1951b), Berger and Luckmann (1969), Luhmann (1969), or Thome (2003a), in psychology Rokeach (1973), Kluckhohn (1951b) or Schwartz (1994) or in political science van Deth and Scarbrough (1995) or Inglehart (1971), find common ground in defining values as some principle with guiding character expressing an inclination towards certain behavior, means or attitudes, even if they otherwise fiercely disagree concerning such aspects as for example the origin, generation, bindingness, evolution, transmission, legitimization or control mechanisms of values, to name but a few. This common ground concerning the basic function of social values, transferred to the domain of corporate values, is the basis and focus of chapter 3.1.

In the subsequent chapters 3.2 to 3.5 I examine four different phases of a corporate value. I lay out these four phases based on the conveyance of a corporate value, without which its functionality is out of question. Two further aspects are added with the

emergence of a corporate values and its development over time. Finally, the aspect of compliance is added to not only cover the value transfer and the declaration of value importance, but to also depict the impact values are expected to have and actually have with value recipients, in the sense of a stakeholder relation. This results in the following four phases of corporate values, which are discussed in the next few chapters:

- Generation of Corporate Values
- Conveyance of Corporate Values
- Control of Corporate Values
- Evolution of Corporate Values

The four phases of corporate values serve the purpose of describing the conditions of corporate values, starting with the generation of a corporate value, as its initial spark and continuing into the remaining three phases of the ongoing state. During the ongoing state the corporate value can be revised in order to better reflect the originally aspired value, adapted to reflect newly arisen views upon the aspired value or dropped due to a shift in corporate values. All these processes are summarized in the phases as evolution of a corporate value. The remaining two phases of the ongoing state are not effecting the quality of a corporate value itself but rather its propagation and implementation: value conveyance and value control. Conveyance of corporate values ensures its propagation and explanation among value recipients, while value control oversees the conditions of the corporate value's implementation, thereby guaranteeing its functionality. For that matter, control mechanisms monitoring the last step of implementation done by the value implementors are of minor interest for the framework. Instead, the framework is rather focused on depicting the corporation's course of action for issues like value consistency, value mutation, etc. The progression through the ongoing phases of a corporate value is assumed to be continuous as long as the corporation exists, although not necessarily in the described order. Vanishing values are interpreted as value evolution into oblivion. Corporations dropping all corporate values entirely and still continuing their business activities is, while theoretically feasible, not considered in this framework.

The four phases of corporate values are examined with the help of the two opposite perspectives described in chapter 3.1, the functionalist-normative and the individualistic-interpretive perspective, with the goal to establish a broad view on values in a corporate context. For that matter, the functionalist-normative perspective is used to reflect the viewpoint of structure (social or corporate), while the individualistic-interpretive perspective serves the purpose to express the perspective of the individual agents and

their agency within this structure. In addition, in order to illustrate the relevance of a phase for the value recipients, at the end of each chapter dealing with one of the corporate value phases, the basic requirements described in chapter 3.1 will be shortly discussed in this value phase's context.

3.1 Social functions of corporate values

While social or individual values may be harbored without any specific function and specific consequence, merely reflecting an individual's 'inner world', inconceivable from outside (Rokeach 1968, 1973), I regard corporate values as artifacts made with the purpose to carry out functions by causing actions, having consequences and being observed. Depending on the value recipients addressed, these functions range from regulative to informative, everlastingly determined by the communication of those values by the corporation and the acknowledgment of this communication by the different value recipients. Irrespective of the exact function, corporate values are always directed towards being taken notice of and recognized by the value recipients, thereby exerting crucial influence on the actions of the virtual corporate agent, represented by numerous corporate agents. I hence derive the basic elements composing a declaration of a corporate value in this framework from the elements composing an action across sociological action theories as for example outlined by Marshall and Barthel-Bouchier (1994:4):

1. Agent: describing the acting (human) being carrying a subjective meaning and interpretation of the surrounding.
2. Activity: characterizing the purposeful behavior following a choice between multiple means and ends, whether rational or irrational, consciously or unconsciously.
3. Object: designating the recipient of the agent's action chosen by the agent beforehand.
4. Situation: expressing the conditions necessary to set off this action, both subjective and objective, as well as the limitations imposed by the surrounding both physical and social.

For this framework, I differentiate the following groups of agents with regard to corporate values, their communication, control and evolution:

Table 1: List of Corporate Value Agents

Value Declarator	<p>Value declarators are stakeholders determining the different values of a corporation (including the related activities), putting them down in writing and finally communicating them to other stakeholders. Value declarators are also responsible for the reporting of value fulfillment and the decisions to be made in case of a value evolution.</p> <p>Value declarators are per definition part of the corporation declaring the values. Should the formulation, communication, reporting and evolution be outsourced to an external entity, the label value declarator is passed on to the employee responsible for the outsourcing deal within the corporation. While as corporate values, their communication or evolution might be inspired or initiated by an external entity, they always mature to their declaration within the corporation through the value declarators' acceptance of the sub-contractor work.</p>
Value Recipients	<p>Value recipients are stakeholders, inside or outside the corporation, taking notice of the communication performed by value declarators.</p> <p>Every stakeholder of a corporation is considered part of the value recipients, as soon as he enters into contact with the declared values of this corporation, including value declarators or value implementors.</p>
Value Implementors	<p>Value implementors are stakeholders obliged to implement the declared corporate values in the daily business of a corporation. Value implementors are inevitably part of the group of value recipients, as they have to receive the value communication before being able to implement it.</p>
Value Beneficiaries	<p>Value beneficiaries are stakeholders expected to benefit from the value measures implemented by value implementors. Depending on the values at hand, value implementors can be part of the value beneficiaries, as well.</p> <p>Value beneficiaries can be part of the group of value recipient, however they do not have to, since the group also includes individuals benefiting from corporate values without being aware of it. As the only group value beneficiaries can contain enclose non-human players, such as animals, ecological systems, etc.</p>

Due to their exclusive focus on capacity to perform, corporate values will be regarded as purely functional, loosing their existence as corporate values the moment they forfeit their function. In a business context, corporate values are often reduced to their function as guiding principles for conduct, therewith equating them with business strategies, mission statements or corporate conduct codes, such as for example in Klemm, Sanderson and Luffman (1991), Marques do Santos (2013), Kayser, Sebald and Stolzenburg (2007) or online portals like BusinessDictionary.com (2014). While these purely demeanor-related aspects of corporate values are certainly not wrong, they neglect important informative facets of corporate value functions beyond their conduct directing character often found in value activities in place due to corporate values. For this framework, I consequently lay down the following three basic requirements to be addressed by corporate values in order to be functional:

a) Foundation for predictions

A corporation, like a human being, is assumed to be free to balance different alternatives and their anticipated consequences and then decide whatever seems best in a particular moment. Certain of these decisions are quite evident for an observer, as he can predict them correctly based on his own cultural background and his interpretation of the situation, while other decisions might surprise an uninformed observer lacking the specific information necessary to foresee this kind of behavior. The more is known to the observer about somebody and their past behavior and decisions, the better he can predict future actions. There is, however, a limit to this predictability (Hechter 1993), as "no friend could know our values completely without having experienced an identical genetic and experiential programming (Hutcheon 1972:181)". This requirement, directed towards corporations, implies that corporate values shall provide a strong foundation for the value recipients for realistic predictions of corporate behavior. In order to accomplish this, a declaration of corporate values must equate to the function of all the experience and information we have concerning an individual, providing us with a mental picture of what drives his behavior and thereby with a tool to predict his actions and reactions to a certain degree. Prediction of future actions implicitly relies on the assumption of continuity. Should the agent suddenly base future actions on different values, the entire accumulated data-set used to predict his actions turns out to be unreliable. The smaller the ratio of seemingly inexplicable actions by the agent, the smaller the irritation and discomfort, as the situation still appears to be stably predictable most of the time (Ashforth and Mael 1989). Correspondingly, the ability to identify and bond diminishes as soon as deviating behavior questions the existing mental

models of a reliable, common – possibly ideological – foundation. The more significant the dropped out parts are for the self-conception of the value recipient, the more extensive the damage to the assumed common ground (Meissner 1970).

b) Foundation for identification

Predicting an agent's behavior becomes easier if the value recipient can correctly identify with this person, as a successful identification provides additional information to support a prediction with. However, I do not act on the assumption of a mandatory interdependence between identification and prediction, as prediction does only make sense, if it happens before the action the value recipient is trying to predict happens and bases on his interpretation and projection of experiences. Identification with somebody, on the other hand, is an action, which can actually happen during or after the activity the value recipient is identifying with and bases on his judgment of the action he just witnessed and interpreted, possibly in addition to experiences made. While prediction focuses on anticipating actions, identification concentrates on bonding with actions, which does not merely include the mode of the action itself, but also the action context, the steps before and thereafter, they are embedded in (Garfinkel 1963; Hardy and Carlo 2005). In a brief form, knowledge concerning the step before the action itself is necessary to weigh the motivation of an action, while knowledge concerning the step thereafter aims at the intention of an action. The empathetic bonding between the value recipient and the value declarator is the strongest if the value recipient can identify with all steps of an action (Why has what, in which manner, been done to what end?). However, identification, and therewith a certain degree of bonding, can as well be based on merely a few of those aspects, either because certain aspects of the action are incompatible or simply unknown (Meissner 1970). The higher the degree of identification and empathy, the stronger the 'we'-feeling, the perception to be part of the same ideological group, which in turn produces trust and lends credibility for future statements following the same value pattern (Ashforth and Mael 1989; Brewer and Gardner 2011; Van Knippenberg and Van Schie 2000). Thus, a declaration of corporate values must provide enough information concerning the motivations and goals of corporate activity, to allow for an informed decision concerning an identification with the corporate agent.

c) Involved groups

Finally, corporate values must concretely identify the groups involved in the value implementation and their roles. On the one hand, this includes the value implementors. By knowing the identities of the value implementors, including their roles, the value re-

recipient knows who in consequence can be expected to honor what aspect of the declared value and to thereby exhibit stability and continuity in their respect. Further knowledge concerning this group might additionally provide the value recipient with information concerning the implementing group's ability and resources to live up to its task. Today's corporations can feature extensive and complicated chains of supply and sophisticated networks of sub-contractors and co-operations. Therefore, the question, who shall be affected in which manner by declared corporate values, inside and outside the corporation's employee roster is increasingly significant. On the other hand, in addition to the value implementors, it is equally important to disclose, for quite the same reasons, who is supposed to belong to the group of the value beneficiaries. Often value beneficiaries are used to assess the degree of value achievement (see chapter 4.1.3). Where value beneficiaries are non-human e.g., forests, lakes, animal populations, etc, the additionally involved group of advocates, responsible for representing the interests of the value beneficiaries and measuring value achievement, needs to be identified. Juxtaposing these functions of corporate values with the corporate value phases determined in chapter 3 results in the following matrix pointing out the different topics addressed in the chapters 3.2 to 3.5:

Table 2: Function/Phase Mapping

	Predictability	Identification	Groups Involved
Value Generation	How predictable is the degree of action-guidance of newly created corporate values?	How probable is a value recipient's identification with the motivations and goals behind newly created corporate values?	How clear are the identities of the groups involved?
Value Conveyance	How predictable is the degree of action-guidance of corporate values after their conveyance?	[n/a] ¹⁵	How clear are the identities of the groups involved after their conveyance?

¹⁵ Examining the circumstances of value conveyance (presentation techniques, workshop methods, brochure design, etc.) that manage to successfully communicate the motivation and goals behind the declared corporate values goes beyond the scope of this dissertation as well as the dichotomy of structure and agent. Conducting research on this topic would certainly greatly contribute to a satisfactory practical implementation of the topics discussed here, though.

	Predictability	Identification	Groups Involved
Value Control	How predictable is the degree of action-guidance of a common understanding of corporate values?	How probable is a value recipient's identification with a common, action-guiding understanding of motivations and goals behind corporate values?	How clear is a common, action-guiding understanding of the groups involved by a corporate value?
Value Evolution	How predictable is the degree of action-guidance of newly changed corporate values?	How probable is a value recipient's identification with the motivations and goals behind newly changed corporate values cause?	How clear are the identities of the groups involved after a corporate value's evolution?

From the perspective of value recipients, being the addressees of corporate values, I assess meeting the three basic requirements of values discussed above being the touchstone of corporate values. Consequently, I use the following three questions depicting the three requirements above, to evaluate the functionality of a corporate value:

1. How do I know the corporation is going to do and will keep doing what it is declaring? (→ predictability)
2. How do I know for which reasons and with which goals the corporation is doing what it is declaring? (→ identification)
3. How do I know to who is affected in which way by the enforcement of the declared corporate values throughout the corporation's sphere of influence? (→ involved groups)

The common character of these questions, expressed by their 'How do I know' preambles, is the question of trust, especially towards corporate players, as discussed from several points of view, for example, by Atchinson (2004), Bamberger (2010), Child and Rodrigues (2004), Lee at al. (2005), Nooteboom and Six (2003), or Thomsen (2004). A breach of trust or an inability to trust in the first place is in this case seen as rooted in one of two causes, excluding the possibility of the trustee being willing but unable to live up to the trust placed in him. Either the truster has been willingly or unwill-

ingly deceived and the trustee has not lived up to his stated intentions or the intentions have been communicated poorly and consequently the truster trusted in a communication never intended the way it has been understood (Hill and Lineback 2012). The case of a willing but unable trustee is omitted, since this is not a problem of unprecise conception of value communication, but rather a problem of inadequate self-assessment.

To avoid or at least mitigate miscommunication of corporate values the comprehensive understanding of a corporate value in this dissertation will consist of value information on four levels. While these four level describe different elements of a corporate value, they are all subject to the imperative to in detail disclose and delineate involved groups:

1. Value issues describe the incitement behind the value based activities and address the question of a topic's importance and the corporation's stance on it. In contrast to the two following levels, the value issue solely depends on the value systems of the value declarators and their vision for the corporation's identity and therefore values. There is no logically wrong statement in a value issue, as it states personal preferences and perceptions of importance. Typical examples for a value issue would be, e.g., climate change, declining corporate profits, or decreasing religiosity to name a few, addressing a broad scope of ideals.
2. Value goals describe what goals the corporation plans to achieve in order to support the value issues defined in the preceding step. Therefore, such goals have to be achievable and concludable within a finite time-frame, as well as it has to be clear in which regard value goals support the formulated value issues. As a consequence, there is an inevitable functional dependence between value issues and value goals. Exemplary value goals for the value issues mentioned above would be, e.g., decrease CO₂ emissions to a certain level (value issue: climate change), lower average income for employees (value issue: declining corporate profits), have more than 50% of the staff attend common prayer (value issue: decreasing religiosity).
3. Value activities incorporate all activities that are to be performed in order to reach the value goals determined before. They represent the actual implementation of a corporate value, not just the code calling for it, and are therefore the often neglected, heart-piece of corporate value application. Webley (1999:177) expresses this with the words, "Perhaps too much energy is devoted

to producing codes and not enough to their integration into corporate activity". As value activities are to lead towards a goal, they must be functionally connected to the value goals they are expected to advance. However, value activities are not directly linked to the level of value issues but depend on a functionally intact connection between value goals and value issues. Properly and accurately performed value activities can therefore only have the expected influence on the value issue if the intermediate value goals have been determined correctly (see chapter 4.1.3). Examples for possible value activities in connection with the examples of value goals mentioned above would be, e.g., replace all devices not fulfilling a certain energy efficiency (value goal: decrease CO₂ emissions), adjust wages (value goal: lower employee income) or promote common prayers as corporate culture (value goal: common prayer attendance).

4. Value norms are used to determine when a value activities can be deemed as satisfactory completed. Fulfilling a value norms, however, does only imply that the super-ordinate value activity has been performed within the pre-defined borders of the indicators. It does not signify that the value activity has been successful in reaching the designated value goal (see chapter 4.1.3) Examples for possible value norms for the value activities mentioned above would be, e.g., 80% of devices below efficiency class A++ are replaced within 6 months (value activity: replacement of devices), total wage volume has been reduced by 15% (value activity: lower employee income) or 40% higher prayer attendance within 6 months (value activity: promotion of prayers).

The recipients of corporate values conclude a psychological contract with the value declarator concerning the future corporate behavior, by identifying with the explicitly declared corporate values and building their mental model of the corporate agent based on those values. Such a psychological contract, according to the understanding of Rousseau (1989) used in this dissertation, in contrast to Schein (1980), is not a plain assumption based on mere expectations the value recipients made in the past, experiences related to them, values and norms in their social environment, etc. Rather, it requires the belief to be entitled to require compliance with the corporate values. This entitlement bases on the perception, that the corporation conveyed the promise to live up to the corporate values it declared. This 'living up to the promises made' is related to the corporate behavior judged from the perspective of the value recipient. It is therefore absolutely crucial to note, that in contrast to any legal obligation or contractual commit-

ment, it is exclusively the value recipient's perception whether the promises have been kept or not that impels his future behavior towards the corporation and not the objective evaluation, whether this perception is valid or not (Robinson 1996).

Corporate values, as used in this approach following the action-related characterization of values by Hutcheon (1972), achieve relevance when they lead to concrete actions, when they have a function and concrete consequences. The 2nd question listed above seemingly contradicts this statement by aiming at disclosing motivation and purpose of an action rather than the action itself. The inquiry concerning motivation and purpose, however, is also linked to the question concerning behavior, in the following manner. If the value recipient knows to what end a corporation does what it does, he can, on the one hand, assess whether he deems the chosen action to be suitable to reach the desired outcome. On the other hand, he can check whether other actions of the same corporation support or endanger the desired purpose and hence get an impression of the purpose's priority, such as for example maintained on the level of an individual value by Schwartz, Verkasalo and Antonovsky (1997) or White (1993).

The importance of the declaration of motivation, in turn, is not rooted in the current action, but rather in the legitimization of an action's goal. If the value recipient knows what issue motivated an action, he can assess whether in his view the pursued outcome is going to remedy the situation or not. Along these lines, corporate values and their perception are ultimately bound to corporate behavior, which in turn is understood as one part of a corporate identity. Corporate identity, referring to the virtual persona of the corporation existing in analogy to the persona(s) of an individual, is seen as the sum of all characteristic and distinctive features of an organization dissociating it from of another corporations, rendering it recognizable, possibly even unique for value recipients. Apart from appearance-related features defining the organization's appearance in public, e.g., logos, colors, design, jingles, fonts, etc. organizational identity is primarily "a relational construct formed in interaction with others" (Hatch and Schultz 2004:378). Consequently, the identity of the virtual corporate agent does arise as a result "of social experience and activity" (Mead 1934:135) or in other words: corporate behavior.

In the next chapters 3.2 to 3.5, I correlate two opposite perspectives on how corporate behavior can be perceived, with the purpose to carve out characteristics of these perspectives with regards to the provision of information regarding the three identified questions towards corporate values. On the one hand, I take the perspective of classical structural functionalism to account for the viewpoint of corporate structures.

This conception as it will be used here, strongly shaped by Parsons (1935, 1956a, 1964b) as well as Parsons and Shils (1951a), describes a whole corporation acting coherently as one being, not unlike the supra-organism of an insect colony or Spencer's (1916) idea of a super-organic social evolution. It follows a collective consciousness as described by Durkheim (1893) and thus collective interests, goals and means, which turns it into the suppositional backdrop against which corporate values are identified as equivalent, monomorphic (Chew 2009) counterpart to individual values. In the following chapters I will characterize this perspective mainly using value theories from the work of Parsons and Durkheim to emphasize its theoretical backing and at the same time point out frictions of this conceptional transfer from individual to corporate values.

The opposite perspective I use, the framework of interactionism aiming to account for the perspective of the individual corporate agent, when applied to the context of a corporation as acting entity, does not perceive a corporation as a homogeneous agent but rather as an accumulation of individual actors coordinating their individual behavior in a rational, telic manner within the institution of a corporation (Becker 1986). They base their action on a continuous inner, reflexive discussion of corporate, social and individual reality, redefining their personal goals and interests in every situation, acting upon their current interpretation of current impressions and experiences made (Blumer 1962). The broadness of this framework (Maines 1997) allows for different approaches to be integrated, e.g., Mead's (1918) 'common will', Weber's (1922) 'value-rational social action', Kluckhohn's (1951b) 'cultural value consensus', van Deth's (1995) 'multi-worlded individuals' or Luhmann's (1984) 'individualized ideal', with the common ground of interacting individuals (re-)creating their life-world from interaction to interaction, based on their latest interpretation of experiences and interactions, and by doing so (re-)creating the world of their fellow individuals with the result of mutual influence without a super-ordinate, detached master system. I use this point of view to contrast structural functionalism with an individual-based perspective and point out strengths and weaknesses of the conception of corporate values as a sum of countless individual values.

3.2 Generation of Corporate Values

Generation is naturally the first of the four phases of corporate values. As part of this framework I shall assume that a generation of a specific corporate value happens only once in the lifetime of a virtual corporate agent, unless a corporate value is re-established after it has been constituted and abolished by the same corporation before. This

includes corporate entities continuing the original corporate 'genetic line', e.g., parts of a corporation splitting or spinning off the original corporation or entire corporations being under new ownership, as long as the ownership itself does not have corporate character itself, for as long as there is any associative connection, e.g., employee base, clientèle or defining exterior features, to the initial corporate identity. Corporate entities that have been absorbed into other corporations, e.g., by acquisition or merger, will consequently be treated as part of the absorbing corporation, which has undergone a sudden and possibly radical change (or evolution to remain in this framework's vocabulary) of self-conception from being a part of one corporate culture to being a part of a new one.

3.2.1 Functionalistic-Normative Perspective

From a functionalistic perspective, values are an abstract layer of directives detached from the individual members of society, establishing a standard for their behavior thereby ensuring their conforming functioning in their environment. While Durkheim (1893) grants the individuals of a society own values, although negatively connotated as disintegrating, he, as does Parsons (1937, 1964b), altogether relies on the given, universally valid, trans-individual character of values in his description of mechanical solidarity. To reach such an ultimate separation of value sphere and entities acting upon those values, such a value conception must place the origin of values in an ethereal sphere, untouchable by human beings and thereby withdraw them from human influence, as both Durkheim and Parsons do by rooting the origin of societal values in religion and thereby in an eternal, absolutely independent being.

The origins of corporate values, in contrast, are inescapably bound to decisions made by individual human beings linked to the corporation in question. Even if the decision-makers defining the values of a corporation refer to universal, e.g., religious, philosophical or ethical, rules supposedly beyond human reach or for some reason refer to an external source, responsible for the definition of values for their corporation, it remains nevertheless their decision to do so, blurring the strict division between individual and trans-individual values. Consequently, creators of corporate values are not in a position to refer to a higher power to legitimize the corporate values they defined without exerting influence themselves, as their motivation to submit the corporation to this higher power remains to be disclosed and explained as an individual, human one. Parsons addresses this problem with the note that "the value system of an organization is the evaluative legitimization of its place or role in the super-ordinate sys-

tem"(1956a:68). However, since the role of a corporation in the societal system is at the same time normatively restricted by Parsons as "profit-making is not by itself a function on behalf of the society as a system (Parsons 1956a:68)" and "the value system of the organization must imply basic acceptance of the more generalized values of the super-ordinate system – unless it is a deviant organization not integrated into the super-ordinate system (Parsons 1956a:67)", the variability of corporate values is severely curtailed and predetermined. This, however contradicts their role in a business environment as differentiator and important element of stakeholder engagement, as e.g., described by Atchinson (2004), McEuen (2011), Thomsen (2004), or Urde and Mats (2003), in a many a time trans-national and/or trans-cultural context. Additionally, it remains unclear what neutral, super-ordinate instance would be suitable to determine a societal legitimization for each and every corporation in each social context of their corporate activities and how this legitimization would be conveyed to them. All of these elements principally question the ability of the functionalist-normative perspective to discuss the generation of corporate values in a well-grounded manner.

Moreover, there is the alternative approach to formulate overall-value guidelines and leave it to the subordinate units to derive their own values from them in internal discussions, instead of exclusively defining them in an approach where they are specified by a few decision-makers down to the last detail. However, while this includes the subordinate employees into the responsibility of value definition and at the same time distributes the difficulty of creating values with relation to daily working routines (Dimaggio and Powell 1983; Hodgkinson et al. 2006; Zyphur and Islam 2009), it also irrevocably refutes the pre-solidified character of corporate values withstanding human influence.

To address the motivation and goals, the strict division between the sphere of values and the sphere of agents also has to be softened to allow for minimal human influence on the choice of corporate values, albeit not on their nature. This less radical perspective allows for instance a virtual body to choose certain religious or political values as corporate values, but prevents the body to influence these values in any way. Under these conditions, the nature of corporate values is still beyond human influence, while the motivation and goals fueling the choice of values can be unfolded for the corporation's stakeholders.

3.2.2 Individualistic-Interpretive Perspective

In an individualistic-interpretive perspective corporate values can per definition not exist without the people constituting and living them, as they are created and recreated on the basis of constant individual interpretation. The artificial body that has come up with the declaration of corporate values, has therefore also done so against the backdrop of its members' individual interpretation of the current situation, including influencing trivialities like their mood on that specific day, the balance of power in the room, the amount of time available, etc. Against the same volatile backdrop, it must be held in mind that the corporate values resulting from this normative act have, at least theoretically, lost their ability to serve as absolute sign post actually directing behavior within the corporation exactly along the lines discussed in the value definition workshop within a short period of time, due to value mutation, i.e., different, individual interpretations of the formulated values (Stewart 1996) or diverging framing of the agreed measures in the first place (Blumer 1962; Goffman 1981). It is even plausible to assume that if questioned about the concrete implementation and consequences of the corporate values they just agreed on, the different participants of the workshop would come up with differing, possibly even opposing statements, as the wording agreed upon triggers different associations in different individuals at different moments in time (Berger and Luckmann 1969). At this point, corporate values in the sense of common values shared and collectively implemented by all value providers, as well as conjointly understood by the value recipients, seem to become implausible and impracticable, as explained by a number of authors, such as Buß (2011), Pohlmann (2008) or Reed (1989).

One could argue that within the institution of a corporation with its determined roles and specified aspired outcomes and expectations, policy and consequently value compliant behavior would be a natural consequence, as for example Reshetnikova (2010) or Thomsen (2004) do. However, according to Weber (1922), every social action is influenced by values to some degree; and it is hard not to understand the cooperative character of numerous individuals working together in a corporate institution as an accumulation of actions directed towards other individuals and as such as social. Since value-rationally motivated actions inherently bear the risk of adhere to an ethics of attitude, one has to expect a certain share of actions aiming at an outcome rooting in an individual-based ideological frame, rather than an interpersonally rational one. Bringing both views together, one must state that as long as the corporate guidelines do not collide with any individual, value-rational motivation, one can expect the individual to act rational-motivated within the institutionalized decisions, as set out by Gehlen (1940).

Whether reliably guiding corporate values can be consequently seen as real, remains questionable.

The key to nevertheless advocate a generation of corporate values in an individualistic-interpretive perspective is a more detailed inquiry of the term itself. While the functionalist-normative perspective has no difficulties to exclusively perceive corporate values as yet another normative layer of functioning, this framework is going to distinguish two different views of the term 'corporate values' for the individualistic-interpretive perspective. From an interactionism perspective such as e.g., theorized by Blumer (1962), Mead (1934) or Berger and Luckmann (1969), there are the individual interpretations of corporate values, constantly interpreted and re-interpreted against the backdrop of the individual's ideology and its perception of the situation at hand. These interpretations of the situation, however, can be seen in a puristic and a moderate view.

On the one hand, pushing the perspective of the individual to an extreme, the uttermost quality of such a re-interpretation of a corporate value would be a plain refusal to accept them as action-guiding, especially, but not exclusively, where they are in conflict with highly valued, possibly even protected individual values. This angle on corporate values bases on a purely self-oriented, advantage-driven approach, portraying the overall output of a multitude of individuals' particular, situational (re-)actions as a result of sanction-driven behavior. The means to influence such behavior are enforced rules in connection with, concrete, reliable, positive or negative sanctions. The extent to which a corporate value is perceived as binding is in turn dependent on the related sanctions, the available alternatives and the probability of transgression discovery (Geiger 1947).

On the other hand, the framework will allow for a regulative character of corporate values, although not beyond an individual's influence as in the functionalist-normative perspective. Such corporate group values are established and shared among most members of a group in a corporate context (Schein 1999), defining how things are done within this group and are even not necessarily linked to concrete sanctions, but to what Mead (1934) designated as loss or gain of respect. The relative importance of a value and thereby its bindingness is not commonly defined, but is determined by each individual of the group, depending on the individual interpretation of the situation and the acting agent. Thus, the same action performed by the same agent in the eyes of a different beholder or the same action performed by a different agent in the eyes of the same beholder can lead to different losses or gains of respect. Such loss or gain of re-

spect can in time lead to punitive or rewarding behavior, although often not linked to a concrete action but rather based on a general attitude towards the agent (Mead 1918).

The difference between sanctions brought upon a transgressor from outside the corporate value group and sanctions arising from inside the corporate value group is the perspective of the transgressor. Pressure from the outside makes a transgressor feel "obligated" (Hart 1961:80) to comply, as otherwise sanctions as a direct reaction to this non-compliance will happen. These sanctions are the reason compliance is in this case of extrinsic importance. Pressure from the inside, the internal yearning for group respect, is described as "having an obligation" (Hart 1961:80). Ignoring this obligation could also provoke sanctions but in contrast to the ones from outside, these are directed towards something the transgressor does not only want to avoid, namely group sanctions, but also towards something the transgressor holds dear, namely group respect, giving this situation intrinsic importance.

Corporate group values can overlap with declared corporate values, but they can just as well expand or even contradict them. They are not written down or enforced by a central, superior power but are rather a self-regulation of the group. Hence, there is no formal regulation an individual could refer to as a defense. The corporate group constitutes the decision making body with regard to value transgressions. If the corporate group gains the impression of value transgression, the respect towards the relevant individual will be affected, no matter the formal circumstances, as the corporate group value represents a psychological contract in terms of Rousseau (1989).

Corporate group values will hardly be found entirely and constantly embodied in a group of value implementers, but they rather impose ideals to strive for. The fact, however, that there is barely anyone constantly implementing all of them to completion in their day-to-day work, does not render them obsolete or even make them disappear. The manifestation of the regulative aspect of corporate group values can be derived from the fact that individuals have to make a decision against them in case of conflicting behavior (Geiger 1947). Members of the group are aware of the existence of the ideal principle and the deviation of their action, otherwise their action would unfold unquestioned and without felt inner conflict (Mead 1918). The fact that the ideal principle is not exhaustively implemented to its fullest extent does not mean it is not part of everyday group reality, as actions and potential losses or gains of respect are still measured against it. The motivations and goals of such actions, however, do not have to be in sync among the different group members to make their actions align, as long as they

result in similar evaluation of behavior. As soon as a visible discrepancy in the form of deviating behavior (re-)arises between different motivations and goals within a corporate group, the respectability of these different motivations and goals has to be clarified and ranked for each individual and the group consensus to preserve the corporate group value.

To illustrate this mechanism, imagine a group of project leaders working for corporation Z having informally agreed upon corporate group values of 'balanced attitude towards sub-contractors' in order to keep up quality and good relations to more than one sub-contractor. This happened as a reaction to the corporation's latest corporate value declaring 'the lowest costs possible for sub-contractors' and therewith conflicting with the firmly established values of the group culture of the project leaders. Project leader A motivates the corporate group value with his conviction that everyone should have the same opportunities to prove his qualities and therefore directs his value-driven actions towards the goal of offering every sub-contractor of their corporation at least one chance to offer its services in each of the fields of activity of corporation Z. If a sub-contractor has established that he has the best performance among the competitors in a field of activity, however, he prefers to hire this sub-contractor for this specific field of activity. Project leader B, on the other hand, strives to spread his mandates equally among all sub-contractors in relation to the contract volume, based on his principle that everyone should get a piece of the cake as long as the job is done satisfactory and within the specified frame of time and budget. While it is thinkable that the choice of sub-contractors of the project leaders A and B can be congruent under certain circumstances, it is obvious that there are circumstances where A and B will come to different conclusions with regard to the choice of sub-contractors, while both are, from their perspectives, acting in accordance to the corporate group values agreed upon. Consequently, motivations and goals can be addressed with regard to corporate group values, but it requires a discussion of motives and goals among the members of a corporate group, prior establishing a common value or after discovering diverting interpretations of the value agreed upon. Such a discovery can serve as a trigger for a streamlining of value-driven behavior, evolution of the value at hand or even a generation of new values.

3.2.3 *Summary*

Overview of the two perspectives

From a purely functionalist-normative perspective there is little to assert when it comes to the roots of a corporate value's generation, as this per definition happens beyond human reach and influence. A detailed description of what the corporate value comprises, however, can indeed be provided from this perspective, and is considered to be of high importance, as the content of a value determines the role-obligations (Parsons 1964b) and therewith the expected behavior postulated by the specific corporate value. Without such a determined role-expectation value control would become impossible.

The individualistic-interpretive perspective in its puristic form looks upon the corporation as a conglomeration of individuals with own values, resulting in corporate values as an expression of accumulated individual values, depending on situational, individual interpretations and re-interpretations, therefore highly unstable and deprived of any regulating character beyond the scope of an individual. To allow for a trans-individual regulative character of corporate values from an individualistic-interpretive perspective corporate group values will be used in the framework for the generation of corporate values. The obligations deriving from the content of a corporate group value are often not put down in written form and can therefore vary from individual to individual, nevertheless there is a minimal social consensus concerning the core content of the corporate group values, the preferable group behavior, Schein (1999:19) describes this consensus as "Shared Tacit Assumptions".

Predictability

The functionalist-normative perspective builds on a values beyond human reach and therefore values of stability, uniformity and broad action-guidance. Aside from rare, anomic behavior, actions of the virtual corporate agent and the individual corporate agents can therefore be predicted with a high probability. There are still ongoing adjustment processes within the corporation (as within every social system), which might lead to new, unpredicted behavior others have to react on, but a radical violation of corporate values and hence of predictions based on them, can be all but excluded. Clashes between strongly diverting values are generally avoided as changes are only foreseen at a very low speed and scale, in both the puristic and the moderate view. The extensive homogeneity of corporate values in the puristic view also prevents any dis-

cussion whether corporations acting on behalf of the value-declaring corporation (e.g., sub-contractors) share and follow the same corporate values or not. Even the moderate view gives no cause to fear contradicting values among cooperating corporations, as they all follow the same transcendental value codex, even though they might have chosen different aspects of it to be represented in the corporate values.

A puristic interpretation of the individualistic-interpretive perspective considers all members of a corporation as individuals deciding for themselves, independently and against the backdrop of their own experiences and interpretations. This mindset does practically not allow for a qualified predictability in a way value recipients could use as an orientation to build up trust in the future behavior of a corporation. Stability in this puristic view completely depends on the developments and decisions of the individual and can only be backed by sanctioning compliant or deviating behavior of the individual. Alternatively, the processes leading to an action decision by the individual have to be influenced by offering corporate values in a quality and a way that leads to an alignment with individual (practical or ideological) interests, e.g., by pointing out advantages on the level of the individual agent or triggering the feeling of responsibility in the sense of Hart's (1961) 'having an obligation'.

The moderate view of the individualistic-interpretive perspective also includes an increase of social costs for deviating behavior, as ignoring or circumventing the corporate group value exposes the acting individual to the risk of loss of respect within the group. It is immaterial in this regard whether the deviating behavior can be formally proven to the individual, the perceived transgression by the group is sufficient. However, since every action or a (re-)interpretation of an action might influence the already informal group values, it is impossible to foresee their life span for value recipients observing from the outside. This lowers the degree of predictability on the long run. Corporate group values, the way things are being done in groups, nevertheless allow, in a moderate view, for a certain predictability of corporate actions due to increased social stability. Unfortunately, corporate group values do not have to align with the corporate values declared by the value declarators and corporate value groups usually do not have the means (nor compelling interest) to communicate them to other value recipients. Therefore, predictions concerning the virtual corporate agent are only reliable to the degree the corporate group values happen to align with the declared corporate values (cf. chapter 4.1.6). This leaves the value recipients in the individualistic-interpretive perspective with the declared corporate values, or espoused values (Schein 1999), al-

though the influence of corporate group values on the way of doing daily work is obviously far higher.

Identification

A puristic form of the functionalist-normative perspective does not allow for doubts or questions concerning motivation and goals of values, as both aspects are well beyond human scope. An identification of the value recipient with the declared values is therefore given, as a successful socialization ensures homogeneity in this regard. A more moderate form of the perspective, however, allows humans to make a choice or have preferences among all available values without exerting any influence on the values themselves. With such a choice the virtual body declaring the corporate values puts other values existing in a sphere beyond human reach in abeyance, which allows for at least an observation of a prioritization of values. Since such a prioritization allows for an explanation of the underlying motivation and goals, it establishes a possible source of identification for the value recipients, but also allows for a rejectionist stance on the selection (not the values themselves) and therewith for a prioritization of corporate values.

Basing motivation and goals exclusively on individual interpretations and decisions in light of past interpretations and experiences, the puristic form of the individualistic-interpretive perspective leaves no possibility for value recipients to identify but the accidental congruence. The moderate view indeed allows for corporate group values to influence individual actions and therewith opens up a possibility for identification for value recipients with access to these corporate group values. For the remaining group of value recipients without privileged access to corporate group values founded, anticipatory identification remains impossible, as there generally is no institutionalized way of communication for corporate group values towards other value recipients.

Groups Involved

The identity of the groups affected by corporate values in the functionalist-normative perspective is on the one hand clear-cut, as internalized role definitions allow for a common understanding of what behavior is expected by whom towards whom. On the other hand, every member of the organization is expected to question observed deviating behavior, as such (anomic) behavior can nevertheless not be completely excluded. This presupposes that every agent, as a consequence of a successful, consistent socialization, is fully aware of all the different roles and responsibilities of the surrounding

agents and has the authority to challenge non-value-compliant behavior regardless of power disparities or hierarchy.

In the individualistic-interpretive perspective, however, the identities of the groups affected by a certain corporate value or corporate group value can range from commonly known and easily understandable responsibilities to nebulous, complex and highly situational ones. Consequently, the process of role socialization in a corporate value group from this perspective can range "from a relatively quick, self-guided, trial-and-error process to a far more elaborate one requiring a lengthy preparation period of education" (Van Maanen and Schein 1979:211).

For declared corporate values, transparency in the matter of the identity of the groups affected by them is highly dependent on the clarity of the value declaration. While declared corporate values can reproducibly and transparently clarify the people involved in writing, corporate group values with a foremost illiterate tradition have to rely on individual interpretations of observations and individual oral dissemination. Due to their formlessness, corporate group values constantly risk misinterpretation and misunderstanding. Aggravating this situation, a corporate value group is not absolutely stable when it comes to its members. Therefore, with each of these fluctuating members continuously (re-)interpreting and thereby possibly influencing corporate group values, the process of identifying the current group roles for corporate group values is a process continuing over a whole working-career (Schein 1980).

3.3 Conveyance of Corporate Values

As conveyance of corporate values I classify all forms of communication, presentation, instruction or demonstration of corporate values towards any kind of value recipient with the goal of conveying corporate values. In the special case of conveyance to value implementors the goal is expanded with the open intention to exert influence on future behavior. In this respect, it is not of importance whether the conveyance recipient is aware of the fact that he is the recipient of corporate values being conveyed to him or not. It is also considered irrelevant for the process of value conveyance whether all values are conveyed in full extent or in thematic packages, as in White's (1993) value styles or Krappmann's (1971) as if communication.

Conveyance of corporate values explicitly or implicitly involves the motivation to welcome the guidance of those values and de facto implement them into everyday working

life. This motivation can be based on extrinsic motivation, positive or negative sanctions from outside the individual, or intrinsic motivation, where the individual is driven by a personal interest to achieve. As intrinsic motivation, as for example outlined by Bénabou and Tirole (2003) or Thomas (2010), has a more profound impact on the long run and extrinsic motivation has a tendency to reduce intrinsic motivation (Deci 1971), conveyance of values generally aims at their internalization or at least at their support based on intrinsic motivation (Hart 1961).

3.3.1 Functionalist-Normative Perspective

Societal value conveyance in the functionalist-normative perspective happens through value transmission by socialization from generation to generation, mainly during childhood and youth of the younger generation but never completely subsiding, by teaching and by example with the goal of an internalization of a given appraisal of behavior, modes or means (Parsons and Shils 1951a, 1951b). Those behaviors, modes and means are concentrated in social roles, which are in a social system balanced and harmonized in a way to provide a stable, functional social environment. To ensure that roles are reliably fulfilled in the manner planned, suitable roles and behavior must be firmly programmed into all agents during socialization (Kiss 1977). The goal is not to achieve a pure set of rules to be obeyed by the agents as an external authority, but rather to implant those accumulations of values into their personality and thereby turn them into intrinsic needs of the agents (Parsons 1964a). This internalized accumulation of values, exemplified countless times by psychologically important reference persons (e.g., family members or members of the closer community), builds up an internal compulsion to act within the determined boundaries, leading to a conception of human agents, not rational and independent, free to do as they please, but rather experiencing, whether knowingly or unknowingly, a moral obligation to adapt their action to a universal template, enforcing a normative commitment on themselves (King 2011). In a societal context, these important reference persons are the object of mechanical solidarity as described by Durkheim (1897). Cooperation based on resemblance is the first step towards socialization for most human beings, especially during their primary socialization phase during which the majority of social contacts are embedded in a relatively homogeneous social environment. In this context, values are conveyed without much room for debates, as they are way beyond the individual being socialized and therefore have to be accepted as true and legitimate. During the secondary socialization phase, outside the initial nucleus group, an individual is confronted with values par-

ticular to social sub-systems mostly still within the same cultural context. Interaction with individuals and institutions outside the context of primary socialization are perceived from the perspective conveyed during primary socialization and mechanical solidarity is exchanged for organic solidarity (Durkheim 1897), as relationships towards other individuals are not primarily based on resemblance but on contractual division of labor and the interdependence resulting from it, which allows for the conveyance of values differing from the values propagated during the primary socialization phase. Such differing values impose an important driving force for the evolution of values (see chapter 3.5). Conveyance of values in a social system, or the function of "pattern maintenance (Parsons 1956b:229)" in Parsons' AGIL scheme is part of the cultural system, consisting of institutions (e.g. family, schools, churches, etc.) upholding and maintaining the cultural motivation of a system, something Parsons (1964b) describes as latency. Institutions performing such latency are those who "furnish, maintain, and renew both the motivation of individuals and the cultural patterns that create and sustain this motivation" (Ritzer 1992:242). Parsons proclaims such activities of the cultural system to be of instrumental character, aiming to achieve a concrete goal as a direct consequence of the institutionalized actions. In the wake of Parsons however, Merton (1968), though still a representative of structural-functionalism, emphasizes the differentiation between instrumental motivation directed towards rational, goal-oriented targets and motivation fueled by the expected social consequences of the actions. He points out that institutionalized activities might even fail to accomplish their ostensible goal and still be successful and thus persistent throughout time, as their purpose to (re-)establish and (re-)enforce a group identity by gathering dispersed members of a group and engage them in a common and commonly accepted activity based on existing common patterns can be fully achieved nevertheless.

In a corporate environment the initial conveyance of corporate values, as an equivalent to the socialization phase of young members of a society, might happen both, in an institutionalized and un-institutionalized way. Corporate institutions in the shape of introductory courses or whole 'welcome aboard curricula' for new employees providing insight into the corporation's organization, processes and procedures often include lessons concerning corporate values. These lessons, as for example outlined by Arthur (2012), especially in corporations above a certain size, naturally have to cover the issue on a rather large-scale, coarse-grained corporate or department level, similar to the large-scale values of a whole society. The corporate values on a smaller, more particular, role-oriented level, equivalent to the values inside a clan or family rather than a

whole society, are consequently explained inside corporate groups in a rather unofficial way (Schein 1999). From a functionalist-normative perspective, these group-related values do not question nor contradict the generally valid corporate values. They merely reflect them on a more detailed level and break them down into relations important in the context of the particular business unit. Societal activities not directly aiming at a rational goal or result, as for example described by Merton (1968) in his memorable description of a Hopi rain dance and its function for the Hopi society beyond the apparent function to arrange for rainfall, find a direct corporate counterpart in team events, e.g., common Christmas dinners, sports or cultural events, taking place in some form in at least a part of corporations. Such events, similar to the Hopi rain-dance, do not further the main cause of a profit-oriented corporation, profit, but reinforce the common value background and the experience of it. The celebration of, for example, Christmas is hereby a shared desideratum, which is satisfied within the group to, on the one hand, reinforce the value cohesion of the group and, on the other hand, to reinforce the value compatibility of the corporation with regard to societal values. Other corporations operating in the sphere of influence of a corporation conveying new corporate values react to the conveyance of corporate values by a contracting entity in the same way individuals or systems react to value changes in the functionalist-normative perspective, they adapt. As major value divergence and therefore also major potential value conflicts are not foreseen in this perspective, these adaptations happen gradually, conveying new corporate values throughout the system of cooperating organizations.

The comparison of functionalist-normative social systems with corporate systems when it comes to the spreading of value changes stands and falls with the power structures involved. While a social group can, at least to a certain degree, evolve its values and legitimately spread them by being in contact with and cooperating with adjacent groups, since there is no comprehensive power asymmetry across society, values in a corporate system are implemented from the same group at the top. Programs for employees to suggest new corporate policies or value might seem to be a solution for this problem, however suggesting a value to a superior committee hoping for approval and subsequent dissemination, whether in the original or an adapted form, can not be equated with spreading a value by being a living, breathing example for it. Consequently, corporate values are propagated top-down and are expected to maintain their guiding function throughout the corporation's influence sphere. The cultural system of a social system, functioning as common standard of values, is mirrored in a corporate setting by announcing corporate values to be part of the corporate culture (Schein

2010). Corporate institutions like value workshops or town hall meetings assume the function of interpenetration, as used by Parsons (1937). They propagate the values from the corporate cultural system down via pattern-maintenance into the corporations and its corporate communities (divisions, sectors, teams, etc.) until they reach the individual employees and become a part of their behavior system. Evolutionary change of corporate values, however, is to some extent differing in a corporate environment. While I grant an approach towards corporate values employing propagation of corporate values some correspondence, it still exhibits the problem of unidirectionality, resulting in inheritance rather than multidirectional propagation.

3.3.2 Individualistic-Interpretive Perspective

For the individualistic-interpretive viewpoint, socialization by the elder generation primarily during childhood and youth is, in congruence with the functionalist-normative perspective, the primary source of value conveyance within a society. The goal is, along with the representatives of the functionalist-normative angle, to reach an internalization of the values exemplified by attachment figures. The compulsion to act within the boundaries of those internalized values, however, is considered immeasurably weaker, as the initially internalized values are rather considered a starting point for a development of and an interaction with individual values and thereby individual social behavior (Maines 1997). Interactionism, building on the idea that social interaction and its interpretation build the individual's social self, which basically is its identity, sees socialization as the phase where a new member of the group builds up his self-awareness and self-image in the group, based on the "looking-glass self" (Cooley 1902:183), the perception of himself through the eyes of the individuals he is interacting with and under the symbols of the situation he is acting in. External expectations and intentions of external actions as well as own reaction to them are learned by taking the role of the other, interpreting his (re-)actions with regard to own behavior and adapt own behavior based on these assumptions (Cooley 1902; Mead 1925). Weber (1922) explains social behavior of the individual on the basis of four different, possibly contradicting motivations to act. (1) The value-rational motivation bases on the (currently) internalized values and aims to satisfy them even to the risk of objectively gaining a personal disadvantage. (2) The goal-rational motivation roots in the goal to reach a certain objective and triggers the necessary steps towards that objective. The steps taken do not have to be on an objective path towards the target, as it suffices that the acting individual considers its plan to be adequate. (3) Affectual motivation is triggered by emotions usu-

ally with a strong situational context responsible for causing the emotional outburst. (4) Finally, the traditional motivation based on habit. In practice, social behavior is seldom triggered or influenced by only one of those motivations, but rather by a combination of them with fluid transitions. What type of motivation prevails in a concrete situation of social behavior is impossible to predict without knowledge about the acting individual, so accurate that it is de facto impossible to acquire, even for the individual itself, as from different perspectives brought up by, for example, Weber (1922) but also by Goffmann (1956), Blumer (1962), or Hutcheon (1972).

Socialization aims at transferring values to the new members of the society by shaping their picture of how they must expect to be perceived by significant others as a result of certain actions and therewith promoting motivation for future behavior (Blumer 1962; Krappmann 1971). Such internalized values can, however, be rejected, adapted or withered by the individual in a post-socialization phase. In contrast, socialization effects that some kind of social behavior has been repeatedly observed and imitated during the socialization phase. This can trigger behavior at a later point in time based on traditional motivation even if the values underlying these actions during socialization phase are not pursued anymore. Kluckhohn and Murray (1953) and Rokeach (1973) both understand the process of socialization as a schooling for society or a social environment. The individual being socialized is trained according to certain cultural patterns to be able to fit into their social environment. Being knowledgeable about how to navigate through a social environment without causing irritations or social frictions does not necessarily imply that the individual feels the insuperable compulsion to act according to the learned values in each and every situation. The question of how far-reaching the deterministic power of values is, is, e.g., discussed by Lesthaeghe and Moors (2002) or Swidler (1986), and can be regarded as the central distinguishing feature between the functionalist-normative and individualistic-interpretive perspectives on socialization.

In a corporate environment, the process of value conveyance from the individualistic-interpretive perspective serves, for the most part, the same goals as for its functionalist-normative counterpart, namely the training according to preexisting values to avoid irritating the corporate institution and its stakeholders. However, since every individual potentially harbors values actually motivating its actions that are contradicting the declared corporate values, every value conveyance might result in a communication on what Krappmann (1971:72/168) calls the 'as if layer' and Goffman (1986:147) ex-

pressed as "phantom normalcy". Such 'as if communications' can with regard to values pursue different objectives, irrespective of whether they are directed towards internal or external value recipients. On the one hand, a Christmas dinner among people, not all sharing the religious conviction that it is of value to celebrate the birth of a carpenter's son over 2000 years ago, is only possible if the group is 'as if' celebrating the anniversary of a religious figure, blinding out all aspects of it not being compatible to every member of the group. Thereby, the event on the 'as if level' is providing a common experience and group identity it potentially could not with all its strong binding to religion still intact, due to the irritation these would cause for all individuals not sharing the particular religious value. All involved individuals are hereby well aware of the 'as if' character of the event, enabling and supporting it with their behavior. On the other hand, 'as if' communication can be used towards value recipients to provoke an impression of a common group identity, therewith implicitly signifying corresponding values and thus behavior, where there is none. Value conveyance towards value recipients not aware of the fact that the communication is taking place on the 'as-if level', conveys selective messages and withholds others, to project a certain identity. The actual influence of 'as if' communication on future, substantial activities, however, is per definition very limited.

In parallel with the functionalist-normative perspective, the definition of corporate values on a top-level with the goal of propagating them throughout the corporation in an unaltered form rather results in a value trickle-down than in a multidirectional value propagation mirroring social processes. In the individualistic-interpretive perspective, however, corporate group values offer an alternative to this process, as they are not imposed top-down but rather constitute a reaction of a specific group to their working environment, including the declared corporate values and an identification with it (Brewer and Gardner 2011).

The approach to only define high-level value guidelines on a top level and inheriting them into corporate groups by giving those corporate groups explicitly the freedom to coin them fitting to their particular activities and environment might be compared to the functionality of corporate group values, but there are two crucial dissimilarities: (1) Corporate group values may contradict declared corporate values, which is not an intended consequence of the approach building on high-level values propagation followed by an adaption in corporate groups. (2) Value adaption performed by corporate groups does not have an institutionalized way to spread to other corporate groups or even hierarchically higher corporate bodies, therewith possibly even gradually chang-

ing the entire value system of a corporation. Approaches to collect employees' propositions regarding corporate values cannot remedy this situation, since the decision, which proposition should be adopted or adapted still remains in the hands of a corporate elite. Consequently, the phenomenon of unidirectionality also exists in the individualistic-interpretive perspective, even though in a possibly alleviated form due to the mechanisms in corporate value groups.

3.3.3 *Summary*

Overview of the two perspectives

The functionalist-normative perspective has relatively little to say, when it comes to value conveyance. Since corporate values in this perspective must inevitably be a selection among generally valued values, corporate agents can be expected to accept them without major reluctance and internalize them as their own to the point where they feel the inner need to implement them in their daily work-life. Value-related dissonances of a relevant extent are in this perspective only allowed for as an exception on an individual scale, whenever an individual acts in an anomic way. These cases are not foreseen on a systemic scale, which is why conveyance of values to external value recipients, e.g., customers or sub-contractors, has to be addressed similarly. Every sub-contractor of a corporation, again with only few negligible, anomic exceptions, can be smoothly socialized with the client's corporate values, since the corporate values of a client cannot fundamentally collide with the corporate values of the sub-contractor, as both corporations are part of the same value sphere beyond human influence. There might be minor differences to be clarified, if the perspective is allowed to be softened up to the point, where human agents can perform a selection or emphasis of values, but major differences do not have to be coped with. Corporate group values in the functionalist-normative perspective are not in contradiction with the declared corporate values but rather differentiate those against the backdrop of their working environment. Such adaptations of declared corporate values, though, remain within the group, as they are not intended as an alternative to the declared corporate values but rather a local specificity inapplicable to other environments.

The individualistic-interpretive perspective on the one hand deviates from the functionalist-normative perspective, when it comes to the mutability, individuality and therefore the plurality of values after a successful value conveyance. On the other hand, it leaves room for communication on the 'as if level', therewith separating the declared

value from the value affecting the actual action. Both characteristics hinder a smooth, effective conveyance of values within a corporation, among corporations, as well as towards other external value recipients. A successful implementation of differing values is, in this perspective, in the end a question of either power or persuasion. To cause value-compliant behavior, the value declarator can either persuade the value implementer, thereby changing his value and obliterating the value gap or the declarator has to motivate the implementer to work against own values. Working against own values or desire in relationships featuring a power disparity, as the relationships between an employer and an employee or between a subordinate and a superior do, is commonly accepted, as long as no protected values are touched (Baron and Spranca 1997) or the legitimacy of the directive body has not been damaged beforehand (Child and Rodrigues 2004; Farnham 1989), in which case resistance on the part of the value implementer has to be anticipated.

Predictability

Value conveyance in a corporate context in a functionalist-normative perspective is a coherent continuation of value conveyance within a social system building on a value sphere beyond human influence. Adoptions and possible adaptations of the declared corporate values by corporate agents after value conveyance do not endanger the stability of those values, as they are not set up to contradict or weaken them. Since socialization of all affected agents supports the high-level values, the only threat to corporate values is anomic behavior, which cannot be excluded but happens on such a small scale that it is of no systemic relevance. By adopting the corporate values a corporate agent does not only confirm and strengthen those values, but also upholds and rejuvenates his role as a member of a group affected by the corporate values in a particular way. As changes within the social system are designed to happen evolutionary, relevant conflicts on a value level during value conveyance do not have to be expected. In parallel, major dissents between declared corporate value and values in the understanding of corporate value recipients, which could lead to unpredictable behavior as a consequence to value conveyance, do not have to be expected, apart from sporadic anomic behavior emerging to an insignificant degree. Group specific adoptions of corporate values do exist, but also do not contradict the declared corporate values, nor do they pose as an alternative, which could be a model for larger realm of the corporation.

In the individualistic-interpretive perspective, the adoption of conveyed corporate values and their conversion into predictable actions heavily depends on several factors,

should the value recipient not harbor a comparable value in the first place. Individual values as well as corporate group values in an individualistic-interpretive perspective may support and confirm the conveyed corporate values, but they may as well contradict and oppose them. Therefore, the stability of declared corporate values as well as the acceptance of the identities of the groups affected by those values mainly depends on whether they clash with individual or corporate group values and how deeply rooted these values are within the individual or the corporate group. An adoption of the values as a reaction to the declaration of corporate values due to persuasion is the possibility closest to the functionalist-normative perspective, as the value recipient begins to implement or support the adopted value out of inner conviction. Alternatively, a power disparity between value declarator and value recipient can be used to motivate an internal value recipient to act according to the declared corporate values and hence predictable. As long as resistance is not triggered either due to a previously discredited directive body or protected values (individual or corporate group values) coming under pressure, this approach is deemed as reliable, even though efficiency in that case tends to be an issue (cf. chapter 4.1.6). Sanctions on the part of the corporation function roughly the same way they do within a corporate group, apart from the part direct social sanctions play in contrast to institutionalized sanctions. With regard to the motivation to respect values, however, in the case of corporate values it is not enough to perceive values as disrespected to impose sanctions, as such subjective criteria do not comply with the requirements of a corporate code of conduct guaranteeing predictability of legal decisions (see chapter 3.4.2). In both of these cases, however, the degree of predictability of corporate value based actions drops dramatically.

Groups Involved

In a functionalist-normative perspective adoptions and possible adaptations of the declared corporate values by corporate agents after value conveyance do not endanger the stability of those values, as they are not set up to contradict or weaken them. Since socialization of all affected agents supports the high-level values, the only threat to corporate values is anomic behavior, which cannot be excluded but happens on such a small scale that it is of no systemic relevance. By adopting the corporate values a corporate agent does not only confirm and strengthen those values, but also upholds and rejuvenates his role as a member of a group affected by the corporate values in a particular way.

The existence of an 'as-if' layer, specific to the individualistic-interpretive perspective, requires a thorough discussion of the identities of the groups affected by the corporate value. While in both perspectives it is vital for any value recipient to realize who is part of the group a corporate value addresses and who is not, 'as if' communication introduces a second layer to consider. If a corporate value is conveyed on the 'as if' layer, it does not allow drawing any conclusions regarding the identity of the value recipients. For value implementors this means that they cannot know against which standards their actions will be measured, while for the remaining value recipients it becomes impossible to say whether they agree with the corporation's declared value or not, since the value conveyance does not provide any means to control a value's characteristics, but rather goes to lengths to cover it up and create a deception.

3.4 Control of Corporate Values

Despite the naming, control of corporate values does not primarily focus on concrete control or regulation mechanisms and liable sanctions within a corporation. It rather understands control as conspectus or verification and targets the following four topics, partly reflecting the categories discussed by Williams (1979) to outline pattern priority orientations, as well as the phenomenon of value mutation outlined by Stewart (1996): (1) value transgression, the question when a value has to be deemed violated, (2) value consistency, the question of how values contradicting each other can be implemented in a plausible and credible manner, (3) value presupposition, the question how explicit or implicit preconditions can influence value statements, and finally (4) value mutation, the question of individual interpretation of values and, in consequence, crucial disparities in value implementation. Control, particularly social control, of values can be conducted in a formal as well as an informal way, as e.g., outlined by Black (1984), Friedkin (1983), or Goode and Ben-Yehuda (2010). Since transparency for all value recipients is the proclaimed goal of corporate values in this framework, the focus is not on informal value control, regardless of the question of their effectiveness, relying on subjective perception of value transgression followed by unformalized sanctions. The focus will rather be on institutionalized control of corporate values, and hence corporate norms as means (Baurmann et al. 2010), rendering possible value certainty for value recipients.

3.4.1 Functionalist-Normative Perspective

As values are determined beyond the sphere of human influence in the functionalist-normative perspective, the questions of value consistency, value presupposition or value mutation become obsolete. Values are consistent and comprehensive due to their transcendent origin and relevant value mutation on an individual level is considered anomic, with all its consequences. This point however can only be made consistently in the puristic view of the perspective, whereas the moderate view with its admission of value selection nevertheless risks violating value presupposition particularly due to the selection of values by individuals. The risks, nonetheless, are rather theoretical in nature, as individuals who are part of the broad consensus are able to intuitively fill in the gap, when they are confronted with a selection of corporate values containing a certain value but lacking another value presuppositional to it. The question of value transgression, however, remains to be clarified in any case.

Since values are internalized in the functionalist-normative perspective to the point where they become part of the individual's personality, their existence becomes noticeable when they are violated and irritate the observing environment (Parsons 1964b). As outlined by Bicchieri and Muldoon (2014) such values are hence followed as unconditional imperatives, with no exception and situational compliance deflection. Consequently, there must also exist a broad consensus about when a specific value must be considered as violated, as, in addition to the insensitivity to situational deviance, there is barely any inter-individual deviance when it comes to value interpretation. As Parsons (1935) regards social values as a teleological evolution towards eternal values beyond human influence, a majority of members of society must consequently share the same ultimate goals and furthermore must agree on the conditions of value compliance or value transgression. A process to negotiate or synchronize compliance indicators, apart from the usual value adaptation processes described in chapter 3.5.1, becomes obsolete, as, in parallel with the reasoning made by Justice Stewart in the US Supreme Court (Stewart 1964), members of society are able to identify value transgression when they witness it.

3.4.2 Individualistic-Interpretive Perspective

In an individualistic-interpretive perspective value transgression is, even if the unrealistic case of a generally homogeneous, inter-individual understanding of a value is assumed, appraised on an individual level on the basis on individual interpretation of

the concomitant circumstances of the concrete situation against the backdrop of individual tendencies towards teleological or deontological viewpoints. While a broad consensus concerning the value conformity or transgression of actions is therefore highly unlikely to achieve, general, value-based norms, such as for example outlined by Baurmann et al. (2010), can reach a higher degree of consent, as at least their transgression can be inter-personally determined in a much easier way. It is, for example, much easier to decide whether somebody is driving down the road at a speed of more than 100 km/h (norm) than it is to decide whether he is driving down the road at a responsible speed, not endangering others (value). Whether a norm is satisfactorily expressing a certain value or not is still a decision of the individual. The depiction of a value in norms is, in turn, an indicator for individuals of what nature the underlying value in the eyes of the norm author could be. In the example used in chapter 3.2.3, the agreed upon value of 'fairness towards sub-contractors' would be translated by project leader A into a norm measuring performance and opportunities to prove competence, while project leader B would rather choose a norm gauging average contract volume and compliance with time and budget to depict the value. The norm is still merely an effigy and can rarely do justice to the scope of the underlying value. Nevertheless, norms can be used as instruments to grasp a value's intent and break it down to an inter-personally conveyable and gaugeable tool. Value transgression, however, can not only exist, if actions violate existing norms and therefore existing values, but also, if regular actions are not backed by a value of the roughly same importance. Rokeach's (1968, 1973) value priorities rank values according to the degree of how much they act as a guiding principle of an individual's life. If, for example, an individual ranks honesty highly and is caught lying repeatedly, the value transgression is obvious. If, however, for example, obedience is officially rated in the lower ranks by an individual and nevertheless its behavior is generally characterized by unquestioning obedience, there is a mismatch between behavior and declared value priority that, if observed, either has to result in a value adaptation or in a perception of value transgression by the environment and/or the agent himself (Leff 1978; Rokeach 1968).

Value consistency (Williams 1979) requires values that are generally applicable, within the boundaries and with the exceptions established, not contradicting each other, unless they are prioritized. If, for example, 'preserving life' is ranked higher in an individual's value priorities than 'respecting the property of others', these values can both be part of the same value system, allowing theft as long as it is the last resort to preserve a life. For an observer, however, such behavior can nevertheless appear to be a

value transgression of the agent's values for three reasons: (1) if the prioritization of the two values in the agent's value system is unknown, (2) if the observer is unaware of the fact that there is a life at stake or does not agree with this assessment of the situation or (3) if he is aware that there is a life at stake but does not agree that theft is the only remaining way to preserve it. While the first reason can be avoided by explicitly pre-informing the observer with regard to the agent's value priorities, the second and third reasons root in a differing assessment of the concrete situation and are thus hard to a priori avoid. A posteriori information of the observer remains the only approach to prevent misunderstandings based on reason 2, while the probability of irritations due to reason 3 can only be minimized by proper explanations, but never reduced to zero.

In contrast to the fundamentally teleological orientation of the functionalist-normative perspective, the individualistic-interpretive perspective has to allow for both mindsets, the deontological and teleological, depending on an individual's preference. Consequently, it is possible to evoke the impression of value inconsistency not only due to varying assessments of the situation at hand or lacking information with regard to value priorities, but merely due to a clash between deontological and teleological world views and expectations of behavior deriving from it.

Value presupposition (Williams 1979) addresses the explicit or implicit preconditions of a value statement. Since the individualistic-interpretive perspective bases on individual situational interpretations against individual backdrops, the assumption made in the forefront of the value statement can vary significantly. For example, the value to 'support elder members of my society' can affect different value beneficiaries, depending on the presuppositions, under which conditions somebody is deemed to be elder and what it takes to make somebody a member of my society. In parallel with the value presuppositions concerning the value beneficiaries, the group of value implementors is subject to presuppositions. A value that, for example, has to be implemented by 'employees with leadership function', can only be transparently conveyed if a clear definition, under what conditions an individual is deemed to be part of the employees with leadership functions, is included. Following the same pattern of clarifying presuppositions, all elements composing a corporate value declaration (see chapter 3.1) must be sifted. Otherwise, it has to remain unclear to value recipients, within the corporation and outside of it, how to interpret the verbalized corporate value and what actions to expect by whom towards whom in which situation. It might seem as a silver bullet to cut out one or several of these elements and consequently declare the corporate value with a

much broader scale, radically simplifying the value verbalization. Such an approach, however, if not firmly rooted in corporate reality, creates unfulfillable, broad expectations, thereby rather decreasing transparency for the value recipient by creating false impressions of, for example, widely distributed responsibility or unrestricted applicability. Consequently, the corporate values becomes dysfunctional.

Value mutation, as described by Stewart (1996), is a phenomenon based on biased memory. Memories are not recorded experiences, equivalent to the precision and impartiality of video or audio recordings. As discussed in countless publications within the field of cognitive psychology, such as Schacter (2002), Surprenant and Neath (2013), Johnson (2006) or Walker, Skowronski and Thompson (2003), memories change over time and mix with other memories, wishes, fears, biases or are misattributed to other sources, other time-frames, other locations, etc. For the phenomenon of value mutation a bias focused on own choices and preferences, as for example described by Rothbart, Evans and Fulero (1979) or Henkel and Mather (2007) is of crucial importance. People tend to experience choices they made, such as their own preferences and beliefs, as superior and good choices, as in their view of the past, those choices stand the test of time and have proven their worth. Individual values are such preferences and choices that have proven their worth in the perception of their host. Combined with the individual's choice to work for a certain corporation, which is also a choice that is preferably remembered as a good one, own values begin to seep into the memory of the corporation's values, resulting in an even better memory of own choices. In such a way, even relatively unambiguous evidence can be transformed by selective learning or remembering in a self-confirming manner. Consequently, values can mutate in memory and become better in the sense, that they become more aligned to the rest of the value recipients world. As described by Benney and Henkel (2006), the bias in favoring and improving a chosen option in memory does not only exist with own choices but also when choices are made on people's behalf. These foreign choices, however, must credibly appear to be plausible and in people's best interest, as random choices fail to produce the same effect.

3.4.3 Summary

Overview of the two perspectives

From a puristic functionalist-normative perspective, values are per se consistent and comprehensive due to their transmundane roots. Only the selection of certain values

among the totality of values by humans allowed in the moderate view might damage this perfection by omitting key values in the compilation of values. The risks of severe consequences, however, seem neglectable, as the broad social value consensus ensures a common perspective and an intuitive completion of value gaps. Value transgressions, on the other hand, do take place in both, the puristic and the moderate functionalist-normative perspectives. As, apart from an anomic minority, the vast majority of society members, however, shares the same internalized value goals, institutionalized compliance conditions devoid of any necessity, on the level of social values as well as on the level of corporate values.

A common understanding of corporate values in the individualistic-interpretive perspective is highly unlikely, as even the exactly same value can be interpreted differently in a concrete situation, as this interpretation is always done against the personal background of the interpreter. To bridge this gap and facilitate value control, norms are used as instruments to implement values in the actions of daily life. Thus, norms put up to depict a certain value can be used by individuals to get an impression of the characteristics of others' values.

The assessment of value transgression, either the ignoring of a declared value or the relevant orientation towards a non-declared value, lies in the eye of the beholder. If an observer deems an action to be value transgressing, this will influence his future attitude and actions, even if an objective assessment of the situation would have come to a different conclusion. Similarly, value consistency partly depends on comprehensive information beforehand, but is always subject to a situational evaluation of the beholder.

Value presupposition, on the other hand, is a closer characterization of a corporate value, differentiating the basic elements of a corporate value to facilitate a common understanding of it. As always when it comes to interpersonal communication misunderstandings cannot be excluded, but, in contrast to the assessment of value transgression or value consistency, its quality is directly related to the degree of a common understanding across several individuals.

Value mutation, as a basically human feature, must be expected to happen sooner or later, as the effect intensifies the more times passes between value conveyance and the time of decision-making. In these cases, choices deemed to be good, either because they are own choices or because they create the impression of being in the peo-

ple's best interest, are in hindsight connected with other things deemed to be good. Consequently, good corporations are rather associated with good (often own) values, than corporations deemed to be evil and vice-versa, as it results in a more consistent world-view. This can happen through both, re-interpretation of value statements or false memories.

Predictability

In the both views of the functionalist-normative perspective, the puristic and the moderate one, the stability of an understanding of corporate values bases on a strong internalization, guaranteeing a durable, stable perception of corporate values, apart from few, anomic exceptions. The functionalist-normative perspective, based on the transcendental character of values, assumes that the vast majority of value recipients share the ultimate goals corporate values have been set up to strive for. Hence, this majority also shares a common understanding of the circumstances of value transgression and value presupposition. The moderate approach of this perspective might theoretically allow for individuals to be irritated by a certain selection of corporate values omitting values presuppositional to them. However, their common, deeply rooted socialization prevents major misunderstandings, as most individuals are able to intuitively fill in the gaps and hence again get a correct, common understanding of the corporation's values, even if some of them are not explicitly mentioned. The phenomenon of value mutation, the contamination of corporate values with individual values, depends on fundamental differences between these two values. Since such differences, apart from anomic exceptions, are not foreseen in the functionalist-normative approach, value mutation forfeits its relevance. As a consequence of these factors, the manner in which a corporate value are transformed in controllable indicators is not a matter of broad dispute, but rather a shared view, deeply rooted in each individual with a proper socialization and hence highly predictable.

In the individualistic-interpretive perspective these very interpretation of values on the individual level are a source of instability. To reduce interpretability a value is expressed by a collection of norms, breaking down the core message of the value in inter-personally assessable packages. While it would seem logical that an extensive collection of norms depicting the underlying values would counter the individual assessments, value mutation withers away such information, whatever its volume, if it is not repeated on a regular basis, provided from different sources and at the same time presented from different perspectives embedding different situational contexts. Declared

corporate values tend to be inwardly assimilated by value recipients (individuals or organizations) over time, in accordance to their existing individual values. Such existing individual values are considered own and therefore better choices. Hence, they are gradually incorporated into the own understanding of corporate values of corporations deemed to be positive, such as for example the own employer. Remarkably, such 'better choices' can also be accepted from outside and not only if they are made by the value recipient himself. For this, however, the choices must be understood as in the best interest of the value recipient. Preconditions for a common understanding of corporate values, value presuppositions, must comprise all four basic elements of an action to reasonably characterize a corporate value, including the identities of the groups affected by the declared corporate value.

The predictability of an individual's understanding of a corporate value in the individualistic-interpretive perspective can be improved, e.g., by providing a comprehensive declaration of corporate values including all action-guiding values, a coherent announcement of value prioritization or an extensive listing of value presuppositions, but due to its highly individual character and the situational assessment predictability in this context remains subject to significant constraints. To lower the interpretability of value-based norms, they have to be specific (each norm has its own, specific goal, even if it is in the end contributing to a superior goal), measurable (the measurement has to be inter-personally confirmable), and assignable (the norm implementors have to be clearly defined). The individualistic-interpretive perspective allows for a deontological as well as for a teleological approach towards corporate values and clashes of these approaches are likely to cause irritation with the value recipients. Hence, it must be revealed whether norms are expected to be respected at all costs or whether the value implementer is expected to ignore them in situations, where, in his opinion, meeting the norm would violate the underlying value. Clarifying all this enhances the probability of an action-guiding common understanding of corporate values, but still inevitably leaves behind uncertainty.

Identification

Since the functionalist-normative perspective assumes widely congruent corporate goals and therefore a common understanding of the corporate values, internalized to the point of an inner need, there is hardly any question concerning the identification with these goals, the motivation behind it and consequently the understanding of the corporate values. This is the case in both views, the puristic as well as the moderate

one, as the understanding of the chosen values in the moderate view is not dependent on the agreement with the selection of values, but rather bases on the general understanding of the transcendent values, their goals and motivations.

An individual's identification with the common understanding of corporate values in the individualistic-interpretive perspective is naturally stronger the more similar they are to the individual values harbored. However, even if the overlap of individual and corporate values does not happen to be extensive, an understanding of corporate values that seems consistent facilitates identification. Value consistency has to be spelled out for value recipients in order to avoid misinterpretation. Characterizations of corporate values must contain all exceptions and scope limitations and must not contradict any other values, unless there is a declared value prioritization. Prioritization of corporate values involves an observable, simultaneous incitement of more than one corporate value. Should the value recipient not be aware of the involvement of a higher level value or the inevitability of a transgression on a lower value level in order to prevent a transgression on a higher value level, the identification with the consequent actions will dwindle. Identification with corporate values is additionally at risk, when the norms implementing the value are either not achievable (the norm implementer does not have the means to implement the norm) or relevant (the norm has no evident relevance with regard to the value it is used to implement).

Groups Involved

The identities of groups affected by the values, however, are not solely dependent on internalized values, but also on the corporate organizational structure. Consequently, the same corporate value might be intended to be implemented by completely different agents under entirely different conditions for altogether different beneficiaries. Therefore, the value presuppositions of corporate values in the functionalist-normative perspective require the declaration of three basic elements of an action (apart from the action itself) to ensure a common understanding of the value groups involved.

Further constraints additionally defining the scope of a corporate value are conceivable and useful. Broadening the scope of a corporate value by omitting elements, leaves the value recipient behind with a lack of knowledge concerning the involved groups. This transparency, in turn, builds up strain on value implementors by providing no sense of direction in this regard when it comes to value implementations.

3.5 Evolution of Corporate Values

Adapting one's values based on new knowledge or new circumstances is a process that has been discussed in sociology and political science for decades, for example by Kmiecik (1977), Inglehart (1977), Hillmann (1981), or Klages (1992). In this framework any change of an existing corporate value will be considered as evolution of this corporate value, including the withdrawal of a corporate value without substitution. If, however, an existing corporate value evolves into a new value not replacing the original one but rather adding the new, evolved version in addition to the original value, this process is considered to be a generation of corporate values rather than evolution. Parts of a corporation finding themselves absorbed into other corporations, e.g., as a result of an acquisition or a spin-off, are from that moment on considered part of the new corporation and consequently their corporate values experience a sudden evolution, as it is highly unlikely that the values of both corporations involved match to the last detail.

3.5.1 *Functionalistic-Normative Perspective*

Parsons deems the direction in which development of values happens as fixed, following the cybernetic hierarchy with the cultural system at the top of the value guidance functions leading down via pattern-maintenance into society and its societal communities and finally via the individual personalities into the behavior systems of the acting agents (Toby 1972). Institutionalization of actions plays a major role within this hierarchy, as it embodies system-compliant and system-maintaining actions without individual actors, thereby forming a functional connection between the cultural system and societal subsystems.

"Institutionalization gives rise to a zone of interpenetration between the cultural and the social systems, the two components of which [...] crosscut one another and constitute one subsystem. [...] Interpenetration means that the cognate subsystems [...] constitute zones of overlap and thus affect each other across these boundaries"(Parsons and Platt 1973).

An ideal social system in this perspective is in an unstable equilibrium, with all agents fulfilling their roles according to the expectations of the social system and at the same time the social system being preoccupied to offer the agents possibilities to fulfill their needs and aspirations (Kiss 1977). This middle ground between orientation towards the own needs and the societal expectations in the shape of values is heavily dependent on a successful socialization of the agent and the ability and willingness to

act within the boundaries of the social role specification. However, a changing living environment, e.g., an advancing degree of division of labor and social differentiation, contact with foreign values or increasing individualism and propagation of self-realization and self-fulfillment, has its influence on the self-conception of a societal agent and therefore on its perspective of values. This causes the instability of the social equilibrium and brings evolution into each and every society (Parsons 1964b). These changes, however, do not come to pass in radical, revolutionary incidents in Parson's perspective but rather in small evolutionary acts with limited spheres of action, granting adjacent (sub-)systems of society time to accept the change through the mechanism of interpenetration, process the evolution, adapt and finally, if applicable, propagate it to adjacent and subordinate sub-systems, gradually propagating evolution through society.

Durkheim's (2005) portrayal of social anomy depicts the results of values having evolved in disharmony with society, where the individual's values evolved in a way and degree that it does not perceive itself as an extension of society anymore but rather as an individual surrounded by a society with deviant values. Whether changes of individual values or evolutionary changes within a society an individual cannot cope with, pose the cause of such an anomic development is for that matter irrelevant. Parsons adopted this perspective and even compares "this state of disorganization where the hold of norms over individual conduct has broken down. (Parsons 1937:377)" with the warlike State of Nature described by Hobbes (1994). The fact that a small part of society has evolved separately and as a consequence seceded or even turned against society does not influence the detached value layer itself, leaving its evolutionary character intact, as such radically different actions are not approved by properly socialized agents and hence not embraced.

Merton's strain theory (1938), though, associates anomic behavior with a conflict between culturally propagated goals and the means the social systems provides to the social agents to reach them. In this view, anomy is the result of a broad evolution of social values, means and goals culminating in the inability of a social agent to legitimately reach the goals set for him by the societal system due to restrictions put up by the very same system. In line with Durkheim, Merton also propagates a reaction, beyond the normal condition of conformity, against the social system as a result of an anomic situation. Categorizing this evolution of individual values he differentiates four modes:

1. An agent following the path of **innovation** still accepts the propagated goals but rejects the means provided by the social system. Choosing other means is very likely to breach rules put up by the social system rendering the agent unlawful in its perspective.
2. If an agent chooses to react with **retreatism** he rejects propagated goals as well as propagated means of the social system. By that, he severs his ties to the societal systems and retreats into social apathy not pursuing any goals, as it seems pointless to him.
3. Still approving the means propagated by society while having turned one's back on the according goals is a reaction Merton names **ritualism**. A ritualistic agent continues to apply the traditional means although there is no sign of success as promised by the societal predictions.
4. Rebellion is an agent's reaction beyond rejection of a social system's goals and means. A rebellious agent replaces the propagated goals and means with own objectives and instruments, constructing an alternative system of goals, means, roles and therefore values. In contrast to the apathy of the retreating agent he actively turns against the social system, challenging its authority and rightness.

As a further development of strain theory Agnew (1992) postulates three major strains, consisting of (1) the blockage of personal goals, (2) the removal of positive stimuli, and (3) the presentation of negative stimuli, followed by the four strains leading to suicide proposed by Zhang, Wieczorek, Conwell et al. (2011) comprising (1) value strain, denominating a strain caused by the disregard or even contempt of an individual's values by the relevant environment, (2) aspiration strain, designating the inability to reach personal goals an individual strives for, (3) deprivation strain, illustrating the strain arising from the inability of an individual to reach goals other, comparable individual could reach and finally (4) coping strain, the psychological inability to bear the pressure of a life crisis.

A corporate environment in a functionalist-normative perspective in parallel with a social system relies on relative value stability. Corporate values evolve in the corporate cultural system on the level of value declarators, a small group at the top of the corporate hierarchy, but also among the value implementors across the corporation. Since major value discrepancies are only to be expected in the case of anomies, evolutions among value implementors are mostly to happen within the borders of declared values

and declarations of new or evolved values by the value declarators will not run contrary to previously declared values, as this would conflict with the abstraction of the value sphere beyond human influence. Changes in the corporate cultural system, however, who are not limited to evolutionary adjustments, as e.g., large-scale shifts in ownership, strategic alignment or target customers, through acquisition, merger, spin-off, changes of the business competition, etc. can in modern times bring dramatic changes of the corporate culture from one day to the next. How an intact corporate value system ought to react to such top-level, sudden, profound changes is an unsolved question of the functionalist-normative perspective, as they are plainly not provided for and opposing the system setup. Individuals acting in such a corporate value system, which has recently undergone a radical change, are suddenly operating in an anomic environment and are thus experiencing at least two of the four strains described by Zhang, Wiczorek, Conwell et al. (2011): (1) value strain, as their internalized values are not applicable anymore and (2) deprivation strain, as they know that it has been possible to apply their internalized value to corporate life or even still is, if their previous corporation still operates. Whether aspiration strain and coping strain are added to the equation is rather a question of individual goals than corporate values.

3.5.2 Individualistic-Interpretive Perspective

Evolution of corporate values from an individualistic-interpretive perspective bases on the intra-individual evolution of values, since corporate values are perceived as a pure result of the interaction of countless individuals and their action-guiding values. Although e.g., Leff (1978) or thereupon Williams (1979) indicate sources of intra-individual value change, Rokeach (1973) broaches the issue of value re-prioritization and later (1968) he already argues that a feeling of inconsistency between self-perceived values and observed own behavior, from a sociological viewpoint one might call this state a kind of intra-individual anomy, can lead to changes of individual values. Bardi et al. (2009:913) maintains that, in social psychology, individual values have until recently for the most part been perceived to remain stable once they have been established during adulthood. Sociology, as outlined by e.g., Williams (1979), Hechter (1993), White (1993), Hitlin and Piliavin (2004), Klages (1992) or political science, e.g., van Deth and Scarbrough (1995) or Inglehart (1977, 2004), have more openly embraced the idea of changing individual values after adolescence.

In a corporate environment, evolution of intra-individual has particularly relevance for the moderate view upon corporate values. For the puristic view, reckoning corporate

values as an accumulation of individual values at work, the pure fact, that intra-individual value change exists is sufficient to maintain that, as a consequence, corporate values are permanently and uncontrollably subject to change and are only conceivable if all elements forming the corporations are well-known. For the moderate view, however, the sources and modes of intra-individual value change or changes in the declared corporate values can both serve as templates for changes in corporate group values affecting behavior of corporate agents.

Apart from changes in behavior, evolution of corporate values also potentially causes a change of the perceived character of the virtual identity the corporate agent approaches the stakeholders with. Changes of a social identity potentially result in irritations and uncertainty among the former peer group(s) possibly even endangering the continued existence of social ties (Goffman 1956). Knowledge about what triggered a change of values and why it is expressed in a certain way, though, reduces the irritation, as it allows for the behavior to be comprehensible and therefore still to some degree assessable and predictable. At the same time, an identification with the new corporate identity is easier achieved if motivation and goal are again known or even shared. Therefore, evolution of corporate values in the individualistic-interpretive perspective ought to be looked upon in parallel with intra-individual values change, linking it with Leff's (1978) two sources of value change: (1) An increase of self-awareness shall, in the case of a virtual corporate identity and in the course of this framework, be used to describe the gradual evolution of corporate values following a continuous development strategy, learning curve or maturing process, building the increased self-awareness on the basis of precedent corporate value decisions. (2) A change of self-conception shall be established to cover sudden and radical changes of corporate values, breaking with the preceding self-conception of the corporate identity and therefore with its corporate values. In addition to the disclosure of the source of value change, the revelation of the quality of value change expressed by the 10 modes of value changes outlined by Williams (1979), give further detail concerning how the value change came to pass, resulting in an array of 20 fields describing value change.

3.5.3 Summary

Overview of the two perspectives

From a functionalist-normative perspective, evolution of values happens, but it happens in small, adaptive steps striving to better put the independently good and right

idea of the value, which has merely been chosen by humans and not invented, in words and a formulated value declaration. A sudden evolutionary leap is exclusively thinkable on an individual, anomic level. While Durkheim (1897) describes an anomy as the failure of the value bonds between an individual and the society surrounding it, leaving the question open, whether a sudden change in the individual or a gradual change in society caused the gap. Merton (1938), while unable to explain all kinds of asocial behavior (Cole 1975; Kornhauser 1978), describes possible triggers for an anomic behavior of an individual, focusing on means and goals provided by society. Agnew (1992) retains the pursuit of personal goals and abstracts the remaining strains to positive and negative stimuli. Zhang, Wieczorek, Conwell et al. (2011:2009) thereupon explicitly mention "value strains", retaining the strain of an inability to reach personal goals ("aspiration strain") while adding the relative inability to reach personal goals ("deprivation strain") and psychological resilience ("coping strain"). The ability or inability of the individual to reach personal goals, and living up to own values is ignored in the functionalist-normative perspective as personal goals, as long as they not intervene with corporate values, are not of imminent importance to corporate values. The inability of a corporate group or an individual to live up to corporate values and goals handed down, in parallel with anomic behavior of an individual experiencing strain towards a setting of social values, leads to strain reactions: An extensive decoupling of the agent from the surrounding corporation, resulting in either apathy or rebellion is the most radical reaction, rebuffing goals and means. A partial decoupling of the agent, resulting in innovative to illicit approaches (new means) or elaborate to meaningless rituals (new goals) can be other strain reactions. An open display of such reactions is not very likely to happen oftentimes, due to the power structures usually in place within corporations. The subtle character of the reactions however, does not abolish their influence on the de facto actions of the corporate agent, driven into anomy by an abrupt change of corporate values.

The individualistic-interpretive perspective of evolution of corporate values bases an intra-individual evolution of values. As the puristic view on individual values, however, is not of great interest with regard to corporate values, as it regards them as accumulated individual values and evolution of these individual values do not change the randomness and desultoriness of the outcome in any manner whatsoever, the moderate view will be in the focus of the framework. This moderate view allows for a regulative character of corporate values linked with loss or gain of respect within the social group the individual is acting in. In parallel with the generation of corporate group values, evolu-

tion of corporate group values happens on an individual basis and in a more moderate view on the basis of corporate value groups. In contrast to the generation of a new value within a corporate value group, however, the evolution of a value always implies a rejection of an existing value, as otherwise there would be no need for an evolution of this value. This implicit rejection of a corporate group value as the first step of a value evolution can be a cause of irritation within the corporate value group as well as for people interacting with it. Incomprehensible changes in values and thus in future behavior create uncertainty, which has to be met by information concerning the reasons and modes that have led to the value change in the first place.

Predictability

In the functionalist-normative perspective, the stability of evolved values is determined by the quality of the evolution that has taken place. Both the puristic and the moderate view foresee changes at a low speed and scale, predicting stability on this basis. Should corporate values evolve beyond this level of speed both views predict anomic behavior on the part of value recipients. How such anomic behavior will be expressed by the individual corporate agents is object of investigation of different theories focusing on human strain.

In a functionalist-normative perspective the question of predicting of how action-guiding a corporate value is after an evolutionary step, strongly depends on the portion of anomic reaction to the value evolution. If the evolution of a corporate value is, e.g., caused by increased corporate self-awareness and as a consequence an elaboration or extension of a corporate value take places, corporate agents can adapt to this gradual, evolutionary changes. If, however, corporate values change abruptly, due to a change of self-conception followed by a destruction of a value, corporate agents cannot cope with gradual adaption anymore. Depending on their personality they will either instantly abandon their previously internalized corporate values, overwriting them with new corporate values ready to be internalized or, the most probable option, the sudden discrepancy between deeply internalized values and corporate values surrounding them will trigger some kind of anomic behavior.

In parallel with the generation of a corporate value in the individualistic-interpretive perspective, as described in chapter 3.2.2, the stability of evolved corporate values depends on decisions of the individual against the backdrop of either sanctions institutionalized by the corporation or introduced by a corporate value group. However, in contrast to the generation of a corporate value, for the stability of the evolved corporate

value to establish, the stability of the original value has to collapse. This aspect has to be considered by including the circumstances of the value evolution when describing an evolved value.

In an individualistic-interpretive perspective the acceptance of the newly changed value in comparison to its predecessor determines its capability to guide actions. On the one hand, this acceptance underlies the same mechanisms as the acceptance of a new corporate value (see chapter 3.2.2). On the other hand, the new, evolved version of the corporate value will be compared to its predecessor with the expectation to find what is supposed to make the newly evolved corporate value superior. It is this differential in expected behavior of corporate agents that value recipients in general have to assess and especially value implementors have to represent and explain towards previous and new value beneficiaries. In contrast to a newly introduced value, where hardly any value recipient is asking why a value is better than no value, an evolved value is not only measured based on its quality but in addition based on its predecessor, making predictions concerning its action-guidance even more difficult.

Identification

The evolution of a corporate values per se rules out the puristic form of the functionalist-normative perspective, since evolving a value without exerting influence is self-contradictory. For the moderate form of the perspective, the differential between the original and the evolved form of the corporate value and the speed of the value evolution happening determines whether the value recipients can identify with the evolved version of the corporate values or not. Sudden and radical changes of corporate values, like they can be caused by corporations merging, being sold off or spinning off, cause anomic conditions among those value recipients who are unable to welcome and internalize new values without being troubled with the discrepancies between the old and the new 'absolutely right thing to do'.

The puristic form of the individualistic-interpretive perspective, deriving motivation and goals exclusively from individual interpretations and decisions in light of past interpretations and experiences, leaves no possibility for value recipients to identify, unless they all coincidentally happen to agree to the last detail. The moderate view allowing for corporate group values to form and perform action-guidance, on the other hand, offers the possibility for value recipients to identify with the evolved version of the corporate value, if the information concerning the advantages of the evolved value and the sources and circumstances of the value change is provided to the corporate value

group to a sufficient degree. Value recipients without access to corporate value groups, however, cannot identify with corporate group values in advance, since there is no institutionalized way of communication for corporate group values towards value recipients outside the corporate value group.

Groups Involved

While the identity of the group affected by corporate values is clearly defined and internalized under stable conditions, anomic individuals, as outlined by Durkheim (1897), do not perceive themselves as part of the organization surrounding them, but as of an essentially different quality. Consequently, they do not perceive themselves as affected by the declared corporate values and thereupon cannot be identified as part of the groups affected by a corporate value, even if they keep supporting the stability of the declared corporate values, e.g., by performing ritualistic behavior. Should the identities of the groups affected by the evolved corporate value change in comparison to the original value, the same effect applies.

3.6 Reporting of Corporate Value Fulfillment

Although value reporting is technically not part of the framework describing the characteristics of corporate values, it is too closely interlinked to be omitted in this context. Functional corporate values depend on being communicated and perceived. Without this communication, corporate values would lose their representation in an interpersonal reality, since corporate values do not exert any kind of influence over corporate behavior without antecedent communication. After having exerted their influence, it is again communication examining whether the representation of corporate values have been perceived in the intended way or not. Consequently, reporting of corporate value fulfillment is designed to be performed on a regular basis without being triggered by changes of a corporate value's content or external factors. It delivers answers regarding the commitments made with the declaration of a corporate value to the whole of value recipients and therewith fulfills a vital role for the comparison between target state and current state of the virtual corporate agent. This act of communication is crucial and corresponds to the control function of the observation of a group member's behavior by other group members.

Parallel to the analogy in the field of individuals giving an account of their individual values in a social group, efforts can be undertaken to hide activities or pretend, in the context of corporate value, as well. Since value recipients are not unaware of this and

distruated corporate values suffer the loss of their functionality, this framework strives for a wide-ranging analysis by spreading out the reporting of corporate value fulfillment broadly by covering four mandatory elements: (1) the activities undertaken to implement the corporate value, (2) the juxtaposition of the state achieved by those activities and the value goals originally established, (3) the echo all elements of a corporate value (the declaration as well as the reporting) have among value recipients, and (4) the conclusions the corporation draws from the previous reporting period, including course corrections but also reaffirmations of current courses of action.

For easier orientation, elements of the framework are mentioned with their labels discussed in chapter 4.

3.6.1 *Corporate Activities*

In chapter 4.1.2, the activities to reach the goal of a corporate values and therewith contribute to addressing the issue the corporate value is aiming at are roughly characterized by determining categories of activities suitable to support the outlined goal. The regular corporate value reporting follows up on this and retrospectively reveals to value recipients what activities the value implementors have actually been engaged in. The approach to activity reporting is oriented towards the same principles used in the characterization of activities within the description of the corporate value itself, outlined in chapter 4.1.1. Consequently, for each corporate value the same four elements of (1) agent, (2) activity, (3) object, and (4) situation [*corporate action*] have to be addressed to analyze corporate activities motivated by a corporate value, aiming to achieve a goal defined in the characterization of this very corporate value. For ease of orientation, corporate activities are recommended to be grouped for analysis [*value clusters*] by corporate value triggering them, as well as value cluster containing that value.

Merely describing activities, however, is insufficient to report activities in relation to value fulfillment. In chapter 4.2.2 question Q5 relates to categories of activities intended to implement the corporate value. A report concerning actually undertaken activities must prove to be consistent with those categories in order to relate to the corporate value in question. Since activities beyond those categories would not be considered related to this corporate value, a previous evolution of the corporate value would become necessary in order to include them.

As discussed in chapter 4.3 corporate values often interact with other corporate values either balancing, impairing, or amplifying them [*value sets*]. Consequently, activities implementing corporate values have to equally mirror this relationship balancing, impairing or amplifying activities intended to implement other corporate values. This fact is used in the analysis as empirical cross-check to either confirm the declared interrelation between two corporate values or falsifying it. This falsification can either disclose that an assumed interplay does not exist in practice, that, in contrary, a previously undocumented interrelation between corporate values has emerged or that the intensity of the interplay has been under- or overestimated, e.g., based on assumptions concerning a common resource's scarcity or abundance. For both cases the conclusions drawn (see chapter 3.6.4) will be subsequently analyzed for a further explanation, why the assumptions made at the point of the corporate value declaration and conveyance proved to be wrong and what implications this discovery will have for the future evolution of the corporate values involved.

After describing what activities have been undertaken and how they can be retrospectively mapped against the plans and assumptions made previous to this reporting period, it remains to be determined what consequences, whether intended or unintended, have been triggered by these activities. Whether these consequences correlate with the value objectives (see chapter 3.6.2) or not, is at this point irrelevant. It is on the contrary crucial to differentiate between consequences on the one hand and the achievement of goals on the other hand. Consequences, being "something that happens as a result of a particular action or set of conditions" (Merriam-Webster 2014:consequences), per se have explicitly no relation with goals, plans or intentions, instead they are "a particular effect of purposive action which is different from what was wanted at the moment of carrying out the act, and the want of which was a reason for carrying it out." (Baert 1991:201)

While the review of intended consequences is relatively easily and intuitively done by comparing the intended consequences and the actual outcome and looking for overlaps, the discussion of unintended consequences proves to be more difficult. This approach towards reporting of corporate value fulfillment is based on the typology authored by Baert (1991) adapted, where necessary, to the domain of corporate values. For the analysis of unintended consequences of corporate values four dimensions are used: (1) effect, (2) evaluation, (3) relation to initial intention, and (4) awareness. In contrast to Baert, this approach has to distinguish between value declarators and value

implementors as this distinction is of increased importance when it comes to corporate values in comparison to individual values, where declarator and implementer are in most cases congruent. For that reason, value implementors are understood as actors when it comes to the exertion of the activities, since these trigger the consequences and not the pure declarations of corporate values. When it comes to evaluation of the consequences, however, value declarators will be understood as actors, since evaluation and reporting is part of their portfolio and not the value implementors' field of activity. Another difference lies in the handling of time dimension for the attribution of value to consequences. While Baert (1991:204) focuses on "the moment before carrying out the act, on the one hand, and after the occurrence of the effect, on the other", this framework focuses on the latter moment as the evaluation at the moment before carrying out the activity is already covered during the generation of the corporate value (see chapter 4.2.1). Finally, Baert's dimension of synchronicity is omitted, again due to the reporting character of this approach, that presupposes a significant time lag between the implementation of the value-based activity and the value reporting.

The four dimensions of unintended consequences and their sub-categories will be hereinafter illustrated with the hypothetical example of a corporate value of 'rewarding customer loyalty'. The one activity exemplarily discussed shall be the approach to provide consulting services, preceding material procurement, free of charge for regular customers with the intention to increase retention of these customers.

Effect

The dimension of effect describes the party concerned by the unintended consequences and can be divided in four sub-categories:

Table 3: Sub-Categories of Unintended Consequences' Effects

Sub-category	Example
(a) individual effects for the value implementors carrying out the activities triggering the consequences	<p>The employees providing the consulting services now free of charge get positive feedback and better assessments from their customers and consequently enjoy higher bonuses and higher job satisfaction.</p> <p>Employees serving non-regular customers from time to time encounter customers having heard about the free consulting of-</p>

Sub-category	Example
	ferred to other customers and expect the same treatment. Not getting the same preferential treatment causes negative feedback, worse assessments and results in lower bonuses and lower job satisfaction.
(b) individual effects for individuals not involved in the implementation of the corporate value	The free consulting service provided for certain customers cannot be accommodated in the existing accounting system resulting in deviations in the monthly working hours statements. As a consequence, these hours have to be tracked manually and at the end of the month the working hours statements have to be manually corrected before dispatch, which results in additional efforts for accounting.
(c) systemic effects affecting entire systems consisting of several individuals	Due to the free consulting services provided, many major customers decided to change over from competing companies, resulting in declining revenue for these companies, forcing them to dismiss personnel.
(d) feedback effects creating feedback loops, thus exerting influence on the consequences of the original activity	Due to the consulting provided free of costs the number of orders increases, resulting in increased ordering of materials. This higher order volumes result in lower prices granted by the material provider, which in turn lowers the prices for customers and thus increase their loyalty.

Evaluation

The dimension of evaluation expresses the value attached to the effects by the value declarators. This value is expressed by three possible simplified characteristics:

Table 4: Characteristics of Unintended Consequences' Evaluation

Characteristic	Examples
Desirable	The possibility to lower prices for customers and thereby increase their loyalty due to the increased order volume

Characteristic	Examples
Neutral	The fact that competing companies have to dismiss personnel due to declining revenue
Undesirable	The fact that monthly working hours statements have to be manually corrected

The description of the evaluation of unintended consequences gets more complicated considering that the evaluations change over time. Consequences now deemed to be desirable might turn out to be highly undesirable in the near future and vice-versa. While such developments can and should be mentioned in a free-text part of the value reporting, the reporting concerning corporate value-based activities in the last reporting period is restricted to the momentary evaluation, as it is this momentary evaluation that forms the foundation for decisions concerning the next reporting period.

Relation to initial intention

This dimension examines the relationship of the unintended consequence towards the original intention motivating the activity. For reasons of simplicity only first degree dependencies will be considered in this approach, i.e., consequences of unintended consequences of an activity will not be discussed separately but have to be considered in the evaluation on the first level of unintended consequences.

Table 5: Sub-Categories of Unintended Consequences' Relations to the Initial Intention

Sub-category	Example
Realization of initial intention	The announcement that regular customers are going to be provided with free consulting services motivates infrequent customers to move more of their business to this corporation. This fulfills the initial intention to reward customer loyalty, although the original plan was that first customers should be loyal before their behavior is affected by this activity.
Forfeit the initial intention	Customers receiving a free consulting sometimes react negatively to it, as they suspect it to be inferior and not neutral due to it being free of costs. As a conse-

Sub-category	Example
	quence they begin to shun the corporation, considering it to be shady.
Unrelated to initial intention	The fact that competing companies have to dismiss personnel due to declining revenue

While the evaluation of an unintended consequence has some affinities with its relation to the initial intention, both dimensions are freely combinable. It might turn out that although the initial intention has been forfeited the unintended consequence is still desirable due to other, unintended advantages. It is just as conceivable that an unintended consequence realizes the initial intention, but does it in a way making it altogether undesirable.

Awareness

The dimension of awareness refers to the degree of knowledgeability by the value declarators at the moment of corporate value declaration with regard to unintended consequences. The sub-categories consists of unanticipated, unexpected and expected consequences. Unanticipated effects have not been foreseen by the value declarators at the moment of value generation, while unexpected consequences have been foreseen but have been considered to be unlikely to occur and have therefore been ignored. Expected consequences have been identified beforehand but could not be avoided due to external reasons.

Table 6: Sub-Categories of Awareness of Unintended Consequences

Sub-category	Example
Unanticipated consequences	That fact that customers receiving a free consulting react negatively to it has not been foreseen at all and has caught the value declarators unaware and unprepared.
Unexpected consequences	The fact that the employees not involved in the provision of free consulting service could react negatively to the introduction of the program has been discussed but has been considered to be very unlikely, since their work does not change in com-

Sub-category	Example
	parison to previous periods.
Expected consequences	It has been known among value declarators that the existing accounting system is unable to cope with working hours provided for free, weeks before implementing the new policy. The provider of the accounting system has assured that this problem can be fixed within days, but is still unable to do so.

The sub-category of expected consequences is subject to a limited combinability, as expected consequences (awareness) leading to a realization of initial intention (relation to initial intention) fall under the category of intended consequences and are therefore out of scope (Baert 1991:205).

3.6.2 Value Achievement

Reports concerning the achievement of a value's objective have to be directly related to the activities and consequences described in chapter 3.6.1, as these activities have been the means to reach value objective achievement in the first place. In parallel to the reports concerning corporate activities and for a clarity of analysis a structure based on the value clusters previously identified by the value declarators is suggested [*value clusters*]. In the same degree corporate activities and their consequences are affected by value interplay, value achievements are influenced by them, which is why value sets and the value interplay published by the value declarators are an indispensable part of the value achievement reporting [*value sets*].

When going through the activities undertaken in the respective reporting period an analysis of all three levels of value achievement reveals a corporate value's functionality: (1) As described in chapter 3.4 norms are a convenient, pragmatic way to make value achievement inter-personally measurable. Due to this advantage of measurability it is the most obvious of the three levels. Combined with the information how and by whom norm achievement has been measured (see chapter 4.1.2 and question Q13 in chapter 4.2.3), this provides a basis for value recipients to assess, which of the targets has been met in the last reporting period. (2) On a second level, the achievement or failing of norm targets has, at least potentially, implications regarding the achievement

of the corporate value's goal. When value norms have been achieved and if the norms have previously been set up in a coherent matter, the achievement of the value goal can be expected to be one step nearer and vice-versa if value norms have not been met. Progress with regard to the corporate value goal might be harder to measure than the achievement of a value norm. However, the goal of an analysis on this level is rather to evince the dependence of value norms and value goals and interpret the past reporting period's results in this regard. (3) Finally, on the third level of the analysis, the interpretation concerning the impact of the level of norm achievement with regard to the corporate value's goal, made on the second level, is related to the overall issue a corporate value is striving to contribute to (see question Q1 in chapter 4.2.1). While changes on the issue level can be expected to evolve rather slowly, they nevertheless represent a decisive link in the argumentative connection between corporate values and the actions triggered by them and is therefore to be analyzed regularly in order to keep the information concerning the corporate value's functionality current.

While norms depict the degree of achievement concerning intended consequences, they do not represent the whole picture. As laid out in chapter 3.6.1, unintended consequences have the potential to represent a major part of the effects of an activity. Consequently, if unintended consequences occur, which is in the case in the majority of activities, and not all of them happen to be completely unrelated to the initial intention, their impact on the value object achievement, whether positive or negative, has to be analyzed in detail to complete the picture of value achievement.

3.6.3 Value Recipients' Feedback

Reporting the feedback collected in the context of questions Q19 and Q20 [*evolution of corporate values*] during a reporting period fulfills the role of observed group reactions to individual action. The observation is on the one hand made by the virtual corporate agent itself, represented by the value declarators, watching value recipients react to its own actions. On the other hand, the observation of value recipients' feedback is made by fellow value recipients, in parallel to members of a social group observing how other group members react to actions of an individual to find out how certain opinion makers react, to estimate the group's overall reaction and to calibrate their own point of view accordingly (Mead 1925). Therefore, publishing value recipients' feedback regarding corporate value and activities based on them to other value recipients ensures the functionality of corporate values by facilitating a two-way communication regarding corporate values, between the virtual corporate agent and the value recipients,

as well as among value recipients. Depending on the amount and variety of data such reporting might require categorization for better analysis, interpretation and summarization. Value clusters can be used as such a categorization system, as they already express, which values are considered close by the value declarators. However, the raw data this interpretation and summarization is based on must be provided in any case in order to ensure confirmability and to avoid misinterpretation e.g., due to organizational blindness.

While there are countless ways to subdivide feedback given by value recipients for analysis, the minimal categorization providing a minimum of orientation is the distinction between three feedback groups: (1) value implementors, (2) remaining internal value recipients, and (3) external value recipients. This distinction is essential due to the special function the value implementors have among the group of value recipients. While all external value recipients can make theoretical statements and utter their opinions with regard to acceptance and coherence of the respective corporate values, only internal value recipients and especially value implementors, can provide first-hand knowledge with respect to practicability and side-effects of the implementation. The fact that the conclusions drawn from the experiences made with the current corporate values have to be based on both intended and unintended consequences in order to keep them reality-based and therefore functional, makes first-hand implementation knowledge indispensable. Basing lessons learned on intended consequences only, e.g., by exclusively measuring to which degree the intended goals have been achieved, withdraws the virtual corporate agent from the reality experienced by value recipients and therefore prevents a successful two-way communication of corporate values rendering them therewith at least partly dysfunctional [*trust towards corporate values*].

3.6.4 Value Conclusions

The final part of a value fulfillment report, in contrast to the first three parts all exclusively revealing and analyzing past incidents – either activities, their consequences, or acquired feedback –, is directed towards revealing and analyzing decisions and plans directed towards the future of corporate values based on the analysis of experiences made. Even if value declarators should manage to create the just perfectly developed and formulated corporate values and related activities on their first attempt and therefore do not have to apply any readjustments, a corporation and its environment will evolve and sooner or later corporate values, activities and/or norms based on them will have to evolve with them. By regularly monitoring value recipients' feedback [*feedback*

reporting] and corporate value activities' results [*corporate activity reporting*] and reacting upon them with adjustments, corporate declarators take the part of the value structure in Giddens's (1984) model in which value agents act and react. Similar to a self-regulating mechanism, as for example a heating and a thermostat, value declarators regularly perform measurements and decide whether to step into action or not in order to exert influence upon the measured variables, such as value norms or achievements. In contrast to the simple example of thermostat and heating, however, Giddens's "homeostatic loops" (1984:27) explicitly include unintended consequences as "unacknowledged conditions of further acts" (1984:8) even when they remain undetected.

Verifying whether the activities agreed upon in one of the last reporting cycles have had the desired impact or not is relatively easy when it comes to intended consequences, as those have already been identified and described beforehand. Discovering and handling unintended consequences however, can be more problematic [*value achievement reporting*]. I consider the dimensions of awareness, relation to initial intention and evaluation crucial in this regard. Expected and unexpected consequences have already sometime crossed the mind of the value declarators, so thinking of them when drawing the conclusions of a reporting period seems obvious. Unanticipated consequences, however, lying in the realm of the unaware, have a higher chance to remain undiscovered. The same is true for consequences with no direct relation to the intention or a neutral effect. Both types of consequences fall outside the main area of attention, the area where planned, intended effects take place.

It would be a misapprehension, however, to consider effects irrelevant on the grounds that they have no relation to the initial intention or a neutral effect for two reasons: (1) The evaluation of an effect expresses the value declarators' perspective. While it might be true that the effect is neutral from their perspectives, other value recipients can indeed experience the same effect to be desirable or undesirable. Such side-effects act as "unacknowledged conditions" (Giddens 1984:8) for future corporate activities and consequently influence the perception or action of the virtual corporate agent, whether their evaluation is shared by the value declarators or not. (2) Effects with no relation to the initial intention naturally have no relevance in relation to the initial intention. However, as the possibility to exert influence besides the initially intended area of effect is virtually endless, such effects can still affect a virtual corporate agent to a high degree, and are an indispensable part of a comprehensive analysis of a value reporting period.

The main difficulty in discovering and analyzing the kind of effects mentioned above is their elusive character based on their range of occurrence outside the known and expected. Consequently, tracking them down either requires an unconventional bending of the own perspective or the expansion of the circle of observers. Since the former can only be achieved to a certain extent, the latter, crowd-sourcing a part of the evaluation via inclusion of other value recipients' perspectives, is an essential part of the reporting period review. In parallel with the formulation of corporate values, the perspective of value fulfillment reporting does contain the following five aspects of a conclusion drawn from the experiences of a corporate value reporting period without confining it to them: (1) Observed situation, describes the events or observations triggering this conclusion, including the corresponding sources of information. (2) Past activities, relates the observations made to past activities of the corporation and mentions the motivation for such activities. (3) Intended effects, portrays the degree of achievement regarding the intended effects of the activities. (4) Unintended effects, summarizes observed or reported unintended effects of the activities, depicting them as a) desirable, undesirable or neutral, b) expected, unexpected or unanticipated, c) supporting the initial intention, damaging it or not affecting it at all. (5) Conclusions, describing in which actions the observations will culminate and why these reactions match the observations as well as the corporate values. Reactions can take place on the activity level without influencing the underlying corporate value or they can lead to its evolution based on the experiences made [*evolution of corporate values*]. In the latter case, the evolution of corporate values makes sure, the properties of a corporate value are respected [*corporate value*]. In the case of a reaction on activity level, this safeguard has to be provided in the step of the conclusions drawn itself.

Table 7: Aspects of Conclusions Drawn

Aspect	Example
Observed situation	Feedback (via the semi-annual anonymous employee survey) indicate tensions in sales teams serving customers with and without free consulting services. Team cohesion is reported to be declining while competition for regular customers among sales staff seems to be increasing.
Past activities having influenced the observed situation	The decision to offer free consulting services for regular customers in order to achieve a higher customer loyalty.

Aspect	Example
Intended effects of past activities	a) Satisfaction and loyalty of regular customers have, according to representative interviews performed by the external corporation XY, been increased, revenue achieved with non-regular customers has increased and the number of customers in the category 'regular' has increased by over 20%.
Unintended effects of past activities	<p>b) According to the semi-annual anonymous employee survey, employee satisfaction among employees involved in accounting the free services has dropped dramatically, due to the large amount of manual work necessary to internally bill these free services. This undesirable effect, although not directly related to the intended effects, has been expected. Measures to counter this effect have been initiated months ago.</p> <p>c) Based on quarterly superior reports tensions have surfaced inside sales teams. Regular customers are now perceived to be financially more attractive for the individual sales employee. Consequently, sales employees have begun to compete for regular customers, which has apparently had negative effects on collaboration among team members and the flexibility to take over customers from a colleague. The undesirable effect was unanticipated, as there is no direct relation between the social situation inside sales teams and the range of services offered to customers.</p> <p>d) Publications of the industry association show reduced revenue growth and declining numbers of sales employees for competitors in the area. Both effects were expected. While, however, the reduction of revenue growth for our competitors was intended and desirable, the reduction of</p>

Aspect	Example
	<p>staff numbers at competing corporations was not a direct intention and is seen as a neutral effect.</p>
<p>Conclusions and motivations</p>	<p>In principle, the activity to offer free consulting services for regular customers was a success by indeed making the status of a regular customer more attractive and thus rewarding customer loyalty (effect a).</p> <p>The difficulties in accounting with regard to the ability to internally bill the free consulting services (effect b) were addressed months ago by ordering an update of the software. Several updates have been tested since then, unfortunately none of them has been successful. The collaboration with the software developer will be continued in order to solve the problem in the medium term. As the current effect clashes with the corporate value to provide employees with a highly functional working environment, external accounting services will be acquired for the short term, freeing our employees of the additional workload until a working software update has been provided.</p> <p>Tensions among employees (effect c) are always regrettable as they tend to lower productivity of employees. So far however, numbers do not indicate such a loss of productivity among sales employees or an impact on customer satisfaction. Hence, no further steps are necessary to counter this development, while the direct superiors will keep a close eye on employee productivity and customer satisfaction.</p> <p>Smaller competitors or competitors with a weaker capital cover are unable to match our free consulting program and consequently lose customers and employees</p>

Aspect	Example
	(effect d). As weakening competitors mean a stronger market position, which in turn serves our corporate value to strive for market domination this effect calls for a continuation of the activity.

This example illustrates how the discussion of the consequences of one single activity aiming to promote one corporate value provides far more information to a value recipient than merely the knowledge how successful the activity was with regard to its intended consequences (effect a). In the example above, they additionally learn that the success comes with a cost for employees in accounting (effect b) and that the corporation is willing to cover this cost for them due to another corporate value in place. They also learn that reduced cooperation among employees is not an issue as long as it does not affect numbers of productivity or customer satisfaction and that forcing smaller competitors out of the market using sheer size and capital is not only deemed to be an acceptable business conduct but is backed by a corporate value to dominate the market.

4 Elements of a Framework of Corporate Values

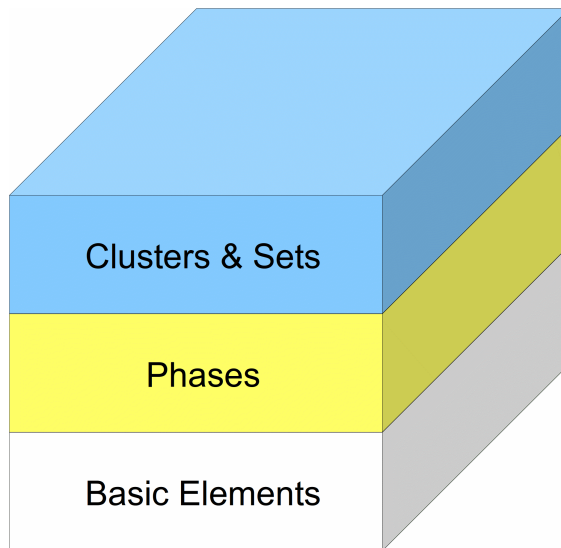


Illustration 2: Layers of the Framework (illustration by author)

This chapter addresses the conceptualization of framework elements and their classification in functional layers as a preparation of for the construction of the framework in chapter 5. Consequently, the elements forming the framework used to comprehensively describe corporate values, i.e., to systematically and analytically describe them in a way ensuring their functionality, will be the main subject of this chapter.

These elements are segmented in three layers to differentiate their roles in the framework. While the elements of the lowest layer form the pre-requirements for an accurate discussion of corporate values, the elements of the middle layer disclose the properties of generic corporate values by conducting through the four phases of a corporate value and uncovering the features characterizing them in the particular phase. Finally, the upper level of the framework focuses on the interaction between different, simultaneously active corporate values, identifying amplifying, impairing, and balancing interplay. These three layers aim at capturing a broader picture of corporate values by not only focusing on corporate values themselves, but in addition underlaying them with a foundation of basic elements and roofing this approach with a perspective of value interplay.

The lowest layer will start with a compilation of elements of corporate action, then discuss the relevance and components of trust towards corporate values, the conditions of value goal achievement, the approach of categories of relevant corporate values, a definition of the term 'corporate value' and finally a modified version of the bridging problem, depicting the classic problem in a corporate context taking into account the interlocking of corporate structure and corporate agents. Subsequently, on the middle layer the two perspectives of agent and structure observed across the four phases of a corporate value, discussed in chapter 3, are transformed into analytical questions

to be used in the framework depicted in chapter 5. Finally, the function and impact of corporate value sets and clusters will be discussed in the third and highest layer, shifting the focus from one single corporate value to their interaction among each other.

In these chapters, the elements of the framework introduced in chapter 5 will be merely listed and characterized, describing their isolated properties. A discussion of their interaction only takes place in the chapters 5.1 to 5.3. In order to facilitate orientation with regard to the conceptual dependencies within the framework, the concepts informing an element will be inserted in square brackets and italics in the chapters below. For consistency reasons with the framework and easier navigation, the subsequent chapters are structured in three sub-chapters matching the three layers of the framework (Illustration 2).

4.1 Basic Elements

The following chapters discuss what is considered to be the basic elements of the framework. These basic elements are necessary for the understanding of the overlying layer 'Phases' in two respects. On the one hand, they provide a comprehension of key terms such as 'corporate action' or 'corporate value' applied in the discussions of the overlying layer. On the other hand, they clarify the concepts of trust, value goal achievement and coherent corporate values. These views explain the expectations towards the quality of corporate value underlying the list of questions the layer 'Phases' operates with. The first chapter 4.1.1 lists four elements describing corporate action regardless of perspective on a basic level, while the second and third chapter establish a fundamental understanding of value trust, value goal achievement and coherent corporate values, concepts later chapters draw on. Finally, in chapter 4.1.5, the term 'corporate value' is defined in the way it is understood and applied in the framework, based on literature discussed in chapter 2, as well as the conditions formulated in chapter 3.

4.1.1 Corporate Action

In this chapter fundamental points of corporate action¹⁶, are referred to independently from functionalist-normative or individualistic-interpretive perspectives. Actions, including non-actions, are naturally a crucial part of the sociological world-view, al-

16 The concept of corporate *action* characterizes the most basic elements to describe an isolated action of a corporation or its agents. As such, the notion of action informing this research is more basal than the one underlying the idea of *interaction* between individuals as prominently outlined in the concept of social action by Weber (1922), or the topic of interaction of social elements and individuals, as deliberated in action theory (Luhmann 1981). It therefore does not yet broach questions of motivation, observation, interaction, projection, awareness, etc., confining itself to the elements of the act.

though the different interpretation of actions diverge widely. For this framework the absolute basic terms are used in order to prevent a theoretical split-up between the two opposite perspectives discussed in chapter 3, the functionalist-normative and the individualistic-interpretive, and instead focus on the commonly shared four basic elements of corporate action regardless of any perspective.

(1) Agent

Any corporate activity is on the one hand performed by a human individual and on the other hand by an acting virtual entity representing the corporation as a whole, here designated as virtual corporate agent. The question, whether the backdrop of this acting is mainly constructed based on individual interpretations of the surrounding or whether fixed internalized structures and roles with linked behavior patterns determine the foundations of a human agent's actions and thereby also at least partly the actions of the virtual corporate agent, is beyond the scope of this dissertation. The model of the virtual corporate agent for this framework is limited to the aspect that there is an interpretation of the surrounding by the human agent and while the interpretation, as well as the decision whether to act or not, happens on the subjective level, it also decides on the activities of the virtual corporate agent and results in an assigning of meaning by the surrounding to the situation, affecting both agents, virtual and human.

(2) Activity

Any behavior by the virtual corporate agent, performed by human corporate agents, is as a matter of principle a corporate activity in this framework, as long as it is aimed towards a purpose related to the corporation. How this purpose came about, why a certain behavior is deemed to be more preferable than others and whether this preference is considered to be rational or irrational by others, is not of importance for the conception of a corporate activity on this level of the framework.

(3) Object

The object of a corporate activity is understood as the planned receiver of the corporate activity's outcome. Outcome always consists of antecedently intended and unintended outcomes, yet, the object of a corporate activity is seen as the target of the activity's intended purpose only. While the degree of success of a corporate activity has to take both, intended and unintended, outcomes into consideration, this distinction is not yet made on this level of the framework.

(4) Situation

All preconditions, which have to be met to allow or trigger a corporate activity, combined with all circumstances, which potentially influence the *modus operandi* and the outcome of the corporate activity, are unified under the term situation. Situation includes limitations and opportunities in the concrete, physical world (e.g., breaking resistance of a material, budget or time restrictions, etc.), as well as social limitations (e.g., power disparities, cultural incompatibilities, lack of knowledge, etc.).

4.1.2 Trust towards Corporate Values

Trust towards Corporate Values, as pointed out in chapter 3.1, is a key element when it comes to the purpose and function of corporate values for value recipients and the declaring corporations themselves. All three functions of corporate values [*social functions of corporate values*] (rendering possible predictability, identification and identifying groups involved) inform a relationship of trust between the virtual corporate agent and the value recipient, rendering trust into the main motivator for corporate values [*social phenomenon of trust*]. For this framework, the following, description of trust towards corporate values will be used, based on Bamberger (2010). It focuses on trust between a human agent and a virtual corporate agent, however treating the virtual corporate agent human-like, omitting other varieties of trust, e.g., trust in own abilities, in institutions or in the future (Sztompka 2003): The truster (the entity placing trust in another entity: the value recipient) is inclined to rely on the benevolent character of future actions of the trustee (the recipient of trust: the virtual corporate agent), although the truster cannot expect on being able to directly influence the trustee's actions when they happen, but can only speculate based on his current assessment of the trustee. This results in a situation of uncertainty and risk for the truster, concerning the outcome of the trustee's action he is also affected by, exposing him to a power gradient (Luhmann, Poggi, and Burns 1979). To make value recipients run a risk and place trust in a virtual corporate agent, the three questions brought up in chapter 3.1 have to be answered as extensively as possible. If this is the case, the value recipient has information concerning the predictability of what will be done by the virtual corporate agent [corporate action], the motivations and goals behind it and who will be affected by the decision to do so. He is still operating under an uncertainty concerning the accuracy of the information, but he is able to spot deviations by comparing observed reality with prognosticated behavior.

4.1.3 Value Goal Achievement

While information concerning predictability, identification and groups involved might seem sufficient for the value recipient to place trust in the corporation declaring them, this framework aims for a double-entry value-accounting, with the goal to prevent a commingling of corporate value goal and goals of the actions initiated based on this very corporate value. It therefore not only asks for answers to the three main questions, but also expects a statement concerning the value achievement, responding to the question, 'How will it be like when the value goals have been achieved?' Taking this viewpoint does not only have the goal to separate value goals from project goals, but also to determine who is to evaluate whether the value goals have been met or not. As a basic principle, the truster, by trusting the trustee, engages in a psychological contract, as characterized by Rousseau (1989) and empirically examined by Robinson (1996), hence exclusively accepts his own assessment of the situation as decisive. Since recipients of corporate values are in most cases not in a position to well-groundedly evaluate whether the corporate value has been breached or not, the value achievement statement specifies who will assess the achievement of the corporate value in what manner.

For example, imagine a corporation declaring the corporate value to support women in their role as young mothers. As a reaction to this value, projects are started to plan and establish rooms for nursing children and for children to spend time and play in the corporation's office building. The achievement of the corporate value goals, however, are not synonymous with the achievement of the goals of the projects started to implement these additional rooms. It is conceivable that the projects to implement and furnish such rooms are highly successful, while the goal or goals of the corporate value are far from being achieved, e.g., since latent social pressure, time constraints, privacy issues, etc. could still prevent young mothers to take advantage of the new facilities [*project / activity goal differentiation*]. One possible, though quite minimal, answer to the value achievement question in this case could be somewhere along the lines of: 'Young mothers will be supported in taking care for their young children in office during office hours'. When formulating the answer this way, it becomes clear that the assessment of whether the value has been achieved or not, cannot be done by examining the deliverables of the projects that have been started to achieve the value goals, but by consulting the beneficiaries of the value; in this case the young mothers. Only if they consider themselves to be supported in their care-taking, the value goal has been achieved, irrespective of how successfully projects, started to achieve the value goals, have been

implemented [psychological contract]. Thus, the assessor for the value achievement should be the young mothers. Whether the threshold of satisfied beneficiaries is set at 50% or any other value is part of the antecedent norm-finding process (see chapters 3.4 and 4.2) but is with regard to the assessment of the value achievement rather a quantitative question than a qualitative one.

Before any norm-finding process can take place, though, corporate values have to be translated into activities. In parallel with a work breakdown structure in project management (Project Management Institute 2000:59) corporate values need to be translated into different activities ultimately leading to the value achievement goal discussed above. Disclosing these activities including all corresponding information, e.g., time frame, resources, personnel, or activity products, provides transparency concerning the approach chosen to achieve the value goals. In the example above, activities such as the following could be used to describe the corporation's approach:

- provide the office building with two playrooms and one nursing room per floor, to be exclusively used for these purposes within one year
- equip the playroom with books and toys for children age 2-4, as well as a surveillance camera for mothers to watch over their children
- grant each mother taking part in the program 30 minutes of paid leave a day to take care of her child

The example above addresses beneficiaries (young mothers) that are able to take the role of a value achievement assessor, but this is not always the case. If, for example, the beneficiary of a corporate value is a nearby forest or the animal population of a certain area, the beneficiary cannot assess the corporate value achievement. Consequently, another assessor has to fill in. Knowing beforehand who this assessor is and what criteria will be used for the assessment is crucial for the truster (the value recipient) to decide whether this setup is worth the risk to be trusted or not.

4.1.4 Categories of Relevant Corporate Values

The strong increase in popularity of corporate values at the beginning of the 21st century is fueled by a wave of distrust in the wake of closures, downsizing strategies, major bursting bubbles and financial scandals involving well-established corporations like WordCom or Enron (Child and Rodrigues 2004; Lee et al. 2005). As an antidote to

the distrust and the moral rejection towards CEOs, large corporations began to publish their corporate values, in the desire to be likable, politically correct and modern (Lencioni 2002). Due to this desire, corporate values had the inclination to take the role of rose-colored spectacles and still have this inclination up until now. However, if corporate values are to describe a conception of the desirable [*corporate value*] of the virtual corporate agent, this conception has to include all desires, not merely the romantically philanthropic ones. At this point the same must be said about the scope of corporate values, as Lencioni says concerning the explicitness and bindingness of corporate values:

"Indeed, an organization considering a values initiative must first come to terms with the fact that, when properly practiced, values inflict pain. They make some employees feel like outcasts. They limit an organization's strategic and operational freedom and constrain the behavior of its people. [...] If you're not willing to accept the pain real values incur, don't bother going to the trouble of formulating a value statement. You'll be better off without one." (Lencioni 2002:114)

Wenstøp and Myrmel (2006:679) take the view that values should be categorized according to the ethical theory backing them and list three top-level categories: (1) virtue ethics, describing the character of the virtual corporate agent, (2) duty ethics pertains to the rules and regulations the virtual corporate agent considers as not negotiable, and (3) consequentialism, pointing out the goals and objectives of the virtual corporate agent. While the examples used by Wenstøp and Myrmel overwhelmingly remain in the politically correct, philanthropic realm, this classification also allows for corporate values like increase of market share or gross profit. Lencioni (2002), on the other hand, divides corporate values into four categories depending on their origin: (1) Core values, reflecting the virtual corporate agent's cornerstones, which can under no circumstances be compromised and differentiate this agent from any other virtual corporate agent, (2) aspirational values, describing important characteristics the virtual corporate agent currently lacks but in his own eyes should have and therefore strives for, (3) permission-to-play values, defining minimal behavior and social standards for corporate employees, often not varying much from corporation to corporation within the same region or industry and (4) accidental values, arising spontaneously within a corporation, reflecting the culture that has developed among the employees. In the vocabulary of this dissertation this would be the corporate group values.

Comparing these two approaches to categorize corporate values it is of special interest that Wenstøp and Myrmel (2006) found their categories on a motivational basis

reproducing what goal drives the value declarator to choose their corporate values, while Lencioni (2002) bases his categories on the attempt to answer the question, 'what characterizes the corporation?' on four different levels. With a view to the functionality of corporate values that underlie the framework (see chapter 3.1), the first approach targets the aspects of predictability and motivation, by emphasizing the driving force behind the corporate values. The second approach, on the other hand, aims at the aspect of identification, by underlining the character of the corporation, now and in the future. For this framework of corporate values a combination of both approaches is used as a top-level categorization, in order to achieve a threefold aim: (1) a declaration addressing the motivational background and the personality of the virtual corporate agent, (2) the characterization of the corporation's way of doing business in the present, and (3) the outlook towards the planned development of the corporate values in the future. Whether on a second level other sub-categories are used, e.g., dimensions of sustainability, business segments, or groups of value recipients, is left up to the value declarators. By disclosing motivations and goals and enhancing predictability by describing the current character of the corporations, two out of three aspects of trust towards corporate values are considered [*trust towards corporate values*]. The third, the groups involved, is rather a question of the formulation of corporate values than a question of choice, which value to consider and is therefore missing in this context.

In parallel with both approaches mentioned above, the framework explicitly demands to declare all values relevant to a corporation, not merely the indisputably likeable, philanthropic ones, which Lencioni calls "motherhood-and-apple-pie values" (2002:115). Formulated to the extreme, anything that forms a goal influencing behavior of the virtual corporate agent, where ignoring or opposing behavior could be regarded as a transgression of expectations by any possible value recipient (cf. chapter 3.4.2), meets the condition of a relevant corporate value and should therefore be considered to be declared. Consequently, anything that is regarded as achievement of the virtual corporate agent has to be bolstered by a corporate value, as it could otherwise not be regarded as an achievement in the first place.

4.1.5 The Term 'Corporate Value'

In line with a number of characterizations in business literature, the point of entry for the substantial definition of the term corporate value shall be, referring to Kluckhohn's description of values: "a value is a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable, which influences the selection from

available modes, means and ends of action" (Kluckhohn 1951b:395) [*human values*]. To spell out the structure of this and the following characterizations, in addition to the normally written sentence a more hierarchically oriented, schematic form will be added:

- a value is a conception of the desirable
 - explicit or implicit
 - distinctive of an individual or characteristic of a group
 - which influences the selection from
 - available modes, means and ends of action

Thereby I deviate from the broad trend towards Rokeach's approach of defining values as "an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence" (Rokeach 1973:5). Both descriptions cover the basic idea of a conception or belief of something preferable/desirable and both comprise the notion of the availability of alternatives being important. Kluckhohn, however, brings up the topic concerning how explicitly and implicitly values have to be shaped and more prominently emphasizes not just modes but also means and ends, while Rokeach focuses on modes of conduct. As formulated by Hitlin and Piliavin (2004:362) when comparing Kluckhohn's and Rokeach's description of values, "Kluckhohn emphasized action; Rokeach saw values as giving meaning to action". With reference to corporate values and their functionalistic and deterministic character, I adopt the view of Lesthaeghe and Moors talking about "cultural imperatives" (2002:5) when portraying Kluckhohn's view of values while Rokeach's perspective is described as a "collection of options" (Lesthaeghe and Moors 2002:5). While the latter might indeed better describe the quality of individual or social values, it does not reflect the differing quality of corporate values focusing on functionalism and to a large extent determinism, resulting in situation where every corporate value has concrete, observable consequences and each action of the virtual corporate agent has its reason(s) in the corporate values. With regard to the requirement for corporate values defined in chapter 3.1, stipulating a maximal information content for value recipients to support prediction and identification with the virtual corporate identity, corporate values are expected to provide more than merely options, but rather imperatives providing the basis for well-grounded prediction and functional comprehension.

Simply transposing Kluckhohn's original description to the realm of corporations on a purely lexical level and slightly adjusting its word order, I will transform it to: 'A corpo-

rate value is a conception of the desirable, explicit or implicit, distinctive of a corporation¹⁷, which influences the selection from available modes, means and ends of action'.

- A corporate value is
 - a conception of the desirable
 - explicit or implicit
 - distinctive of a corporation
 - which influences
 - the selection from available modes, means and ends of action

The desirable

The state of desiring, understood as the striving for a goal driven by a motivation [*social function of a corporate value*], in the case of a corporation raises the question of the agent of the desiring. In correspondence with the perspectives discussed above, the framework on the one hand offers the functionalist-normative perspective localizing the desiring in the virtual agent of the corporation, where it is developed, experienced, communicated and implemented by numerous individuals acting out their structurally defined roles and goals within an environment of structurally determined possibilities and operating in large corporate consensus and quasi-equilibrium. In this perspective, the individual corporate agent and the declaration of the desirable are not in a direct interrelation but rather connected via the virtual corporate agent. The corporation's declared desire exists independently from the individual agent's actions, but, obviously caused by power disparity, not vice versa. Even if individual action could reveal by example that implementing adjusted, or maybe even entirely different, values into consequently different actions, would better fit and depict the virtual corporate agent's character, the declared desire of the corporation would not change. Only if institutionalized communication interpretable by the corporate structure, and not individual action, reveals that a change of corporate values would better illustrate the corporation's character, changes of the desirable become institutionally possible.

Consequently, an adaption of the corporate desire becomes possible and agreeable for a corporation in both of the following cases: (1) if disappointments of the desired are revealed without accompanying value breaches and it becomes obvious that the declared corporate desires cannot be optimally fulfilled with the current corporate values or (2) if individual, deviant behavior, breaching the current corporate values, results in a better¹⁸ outcome. The actual change of any corporate values, though, still remains de-

17 While different corporations can share the same individual corporate value, it is the compilation of several corporate values to a characteristic value profile, that makes the corporation distinctive.

18 A better result, in this context, is defined by the corporation's viewpoint of value quality, i.e., the weighing of the overall value gain triggered by the role adjustment and the deviating actions connected to it against the value loss caused by missing the target of implementing a certain value, which has a function in the complex structure of the corporation.

pendent on new value declarations triggering the value change, which in turn are, as already mentioned, dependent on a corresponding interpretation of the situation by the value declarators.

On the other hand, the framework can also attribute the act of desiring to each of the various individuals executing corporate actions. In this individualistic-interpretive perspective, the corporation's values are directly linked to the actions of the agents. A shift of the desirable for any reason affecting a relevant numbers of agents in a corporate environment has a direct impact on the desiring of the virtual corporate agent, as the corporate desire towards certain modes, means and ends is in this perspective directly expressed by the individual actions, which in turn express the individuals' ideas of the desirable.

The question, which of these two contradicting perspectives should be included in the characterization of the term value has to be answered with both, as both perspectives reflect decisive aspects of corporate values: The normative perspective of corporate values asserts the corporate declared ambition to express its ideas of the desirable in certain modes, means and ends, while the descriptive perspective of corporate values highlights the corporation's agents' performance in translating their ideas of the desirable into innumerable actions leading to a behavior of the virtual corporate agent, ideally expressing corporate desire. Both aspects of where the initial spark for the generation of corporate values originates are vital for a value recipient to predict a corporation's decisions concerning topics important to the value recipient's self-conception.

Experiencing the actions of individual corporate agents or coming to know a corporation's deeds without being familiar with the goals and motivation fueling this preference of modes, means and ends rather than another, leaves the value recipient with little possibility for identification, even if the corporate actions performed would possibly perfectly align with the value recipient's perspective. In other words, value perspectives implicitly expressed in actions or behavior cannot serve the purpose of providing a foundation for identification, as the driving force behind the behavior remains unclear, as supported by Deth and Scarbrough's (1995) statement about the impossibility to distinctly assign values to actions. Hutcheon (1972), then again, discloses the heavily action-related character of values, pointing out that assigning actions to values in advance is impracticable even for a single individual.

To reflect this ambivalent perspective on corporate values [*duality of structure and agency*], the characterization of the term corporate value will be reduced to the explicitly declared form of a value conception and expanded to include the ability of comprehensive value expression, resulting in the following preliminary description of the term corporate value: 'a corporate value is an explicitly declared conception of the desirable, distinctive of a corporation, which influences the selection from available modes, means and ends of action as well as a corporation's ability to coherently express such a conception in both, actions of corporate individuals and overall corporate behavior' [*social functions of corporate values*].

- A corporate value is
 - an explicitly declared conception of the desirable
 - distinctive of a corporation
 - which influences
 - the selection from available modes, means and ends of action
 - a corporation's ability to coherently express such a conception in
 - actions of corporate individuals
 - overall corporate behavior

The relevant consequences

Looking back at the historical roots of the term corporate values in the beginning of the 20th century, it stands out that corporate values have either been an extension of the individual values of the corporation's owner, as e.g., exemplified in the steps taken by Henry Ford or Walter Kohler described by Hoy (1995) and Marens (2013), or have been used to maintain or regain acceptance or support with the local communities (Brody 1993), mainly by treating the corporation's workforce in a way tolerated or possibly even appreciated by the local population. To have such an impact as a corporation, especially when fighting against an already tarnished reputation, or to be able, as an owner, to make the corporation's behavior mirror one's values, the influence of corporate values on the corporation's behavior and their observable character must have decisive, relevant consequences [*social functions of corporate values*]. Apart from the question, how relevant the directive power of corporate values is, it remains so far unclear in the characterization of the term, for whom corporate values ought to be directive, the so-called value implementers. An individual only taking ownership for the action he executes himself, but not for the ones he induced, e.g., by commissioning the action to a 3rd party or by incitation of a 3rd party, is again hard to predict or to identify with, as a part of the actions accounting for his social identity, and their results, are blinded out. Thus, action ownership is treated as not delegable along a chain of command in this framework. As a result, a corporation is required to take ownership for the

entirety of actions it performs or induces. In order to avoid a systemic distinction of responsibility with regard to controlled and controllable actions as characteristics of actions or rather non-actions, as e.g., outlined by Brennenstuhl (1975), the borders of this responsibility and thus ownership shall be defined using the boundaries of a corporation's influence. Consequently, the daily decisions made based on corporate values are not exclusively made by the corporation putting up the corporate values, but as well by other players within its sphere of influence.

To reflect this, as well as the relevance of corporate values' impact on corporate activity, the characterization of the term corporate value is expanded to: 'a corporate value is an explicitly declared conception of the desirable, distinctive of a corporation, which decisively influences the selection made by all corporations within the value-defining corporation's sphere of influence from available modes, means and ends of action as well as a corporation's ability to coherently express such a conception in both actions of corporate individuals and overall corporate behavior'.

- A corporate value is
 - an explicitly declared conception of the desirable
 - distinctive of a corporation
 - which decisively influences
 - the selection
 - from available modes, means and ends of action
 - made by all corporations within the value-defining corporation's sphere of influence
 - a corporation's ability to coherently express such a conception in
 - actions of corporate individuals
 - overall corporate behavior.

Long-term relevance and addressees

The tendency of providing as-if or even fraudulent communication by either withholding communication or spreading it across numerous documents addressing different aspects of a corporation's identity, as e.g., outlined by Wenstøp and Myrmel (2006) or Antorini and Schultz (2003), is a main obstacle certainly for predictability (Steinmeier 2015). For the ability to be identified with, as-if communication certainly has its advantages in the short run, as the target value recipient can be given exactly what his self-conception needs to identify and bound with. However, as soon as subsequent corporate actions contradict such a one-sided projection of corporate values, the illusion fades away, leaving the corporate values dysfunctional. A similar difficulty arises, if corporate values are misused as personnel management tools, merely expressing targets set by the management, identifying areas with potential for improvement, as discussed by Schein (2010). The reason personnel objectives and corporate

values are differentiated in this framework, although both represent goals to strive for, is the different period of validity and addressee of the message. A corporate value is understood as communication directed towards all value recipients, internal and external, value implementers but also non-implementers, describing a goal the entire corporate structure in its very essence is set up to pursue and that therefore is set up with a long-term period of validity. A change of corporate values inevitably requires a change of corporate identity. In contrast, personnel objectives are exclusively directed towards the respective group of people, communicating a specific target, from short-term to long-term, to be reached, possibly even irrespective of whether this target has a connection to the value self-conception of the virtual corporate identity. It of course makes sense and is even essential in this framework to translate corporate values into guidelines or objectives for the value implementers to break down parts of a journey into clearly arranged, single steps. However, it is imperative to look upon personnel objectives as subordinate to corporate values, in the way the endeavor of picking a wallpaper is subordinate to the endeavor of building a home. When implementing these thoughts about addressees, period of validity and wholeness of communication, the characterization of corporate values grows to: 'a corporate value is a stable, comprehensive, explicitly declared long-term conception of the desirable, distinctive of a corporation, addressing the collective of all value recipients equally, which decisively influences the selection by all corporations within the value-defining corporation's sphere of influence from available modes, means and ends of action as well as a corporation's ability to coherently express such a conception in both actions of corporate individuals and overall corporate behavior'.

- A corporate value is
 - a stable, comprehensive, explicitly declared long-term conception of the desirable
 - distinctive of a corporation
 - addressing the collective of all value recipients equally
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 - made by all corporations within the value-defining corporation's sphere of influence
 - from available modes, means and ends of action
 - a corporation's ability to coherently express such a conception in
 - actions of corporate individuals
 - overall corporate behavior

Time perspective

Corporate values outreaching economic success historically have a much harder time to be accepted, than values purely oriented to intimation of profits. Notwithstanding

ing the fact, whether one might reject this view and attribute a corporation more duties than providing profits for its owners, large parts of CSR research focused on how value beyond profits could be made worthwhile for corporations or in other words be converted to economic values (Figge 2005; Hart and Milstein 2003). As outlined by Ketola (2008) this strategy represents a conversion of deontological, duty-ethical values into teleological, utilitarian values. Corporations, with their inherent inclination towards utilitarianism or ultimately egoism (Werhane 2000), seemingly collide with the duty-ethical expectations e.g., regarding social or environmental standards. This antagonism, however, can, according to Ketola, be explained by examining the "time perspective of a company" (2008:421). Social and environmental goals, to stick to the example, are not useless for a corporation, they merely don't offer a return on invest within the time frames considered within most corporations, e.g., a yearly, quarterly or even monthly one. Consequently, the shorter the time frame a corporation expects a corporate value to produce a pre-specified added value of some kind, the higher the possibility of a "plutocentric" (Ketola 2008:426) character of the value. To embed this aspect of the expectation of a first payback in a pre-specified form within a certain time-frame, the characterization of a corporate value is expanded to:

'A corporate value is a stable, comprehensive, explicitly declared long-term conception of the desirable, distinctive of a corporation, addressing the collective of all value recipients equally, which decisively influences the selection by all corporations within the value-defining corporation's sphere of influence from available modes, means and ends of action as well as a corporation's ability to coherently express such a conception in both actions of corporate individuals and overall corporate behavior and expects this selection to yield positive effects for the corporation in a pre-specified form within a pre-defined time-frame.'

- A corporate value is
 - a stable, comprehensive, explicitly declared long-term conception of the desirable
 - distinctive of a corporation
 - addressing the collective of all value recipients equally
 - which decisively influences
 - the selection
 - made by all corporations within the value-defining corporation's sphere of influence
 - from available modes, means and ends of action
 - and expects this selection to yield positive effects for the corporation in a pre-specified form within a pre-defined time-frame
 - a corporation's ability to coherently express such a conception in

- actions of corporate individuals
- overall corporate behavior

4.1.6 The Bridging Problem

Social norms, seen as important instruments to realize values by researchers originating from different disciplines, such as Axelrod and Hamilton (1981), Raz (1999), or Baurmann (1999), in a corporate environment translate to norms set up by corporate groups, consequently based on corporate group values. In parallel with social norms, corporate group norms "implement an informal social order that is not imposed externally, but is created and enforced endogenously by the decentralized forces within the community itself" (Baurmann et al. 2010:9)¹⁹. Furthermore, corporate group norms, like their social counterparts, provide coordinative, cooperative, and aggregative functions: Behavior of individual agents is adjusted and guided by corporate group norms, hence becomes more predictable for others and is aiming at a common goal, facilitating coordination of several individuals. Common incentives among members of a corporate group foster cooperation and the norm enforcement of the group curtail individual, opportunistic behavior. Finally, the aggregative function of corporate group norms sees to it that the several individuals' actions are aggregated into a common result, reflecting the desired corporate group values. Whether these corporate group values, however, reflect the declared corporate values, is a different question addressed in chapter 4.2.2.

The classic bridging problem

The gap between values on the one hand and behavior on the other hand is one of the central problems of value theory (Wallace et al. 2004) and consequently affects corporate values in a very similar way, whether it is from the perspective of institutional design rooted in political science such as for example outlined by Klijn and Koppenjan (2006) or Wendt (2001) or from the perspective of social integration (or socialization) originating from sociology as for example already early discussed by Durkheim (1897) or Mead (1934). With a view to two versions of the conceptual part of the bridging problem, as described by Baurmann as (1) "the principle 'Ought implies can'" and (2) "conceptual prerequisite for something to be a value that it bear some appropriate relation to conduct" (2010:8) respectively, corporate values with their exclusively functional character do demand feasibility and translatability into everyday behavior. The practical part of the problem, however, the question of how to transfer values into actual behavior, is, also for corporate values, more complex to address and reflects the difference between corporate group values and declared corporate values.

¹⁹ Quote transposed to the context of corporate values by the author

Translating corporate values into appropriate behavior of corporate agents by defining the right norms and declare these norms as mandatory for corporate agents seems an intuitive and straight forward solution to the practical bridging problem. However, as Brennan and Pettit (2000) point out, such functionally institutionalized norms and sanctions as instruments of value realization are inefficient and laborious, even though this approach might be necessary in a few selected zero-tolerance areas. The distinction of "being obliged", in the sense of having external incentives, and "having an obligation", in the sense of feeling an inner responsibility, as described by Hart (1961:80), outlines the problem of the approach to rely on functionally institutionalized norms without building on people's 'internal point of view' to realize corporate values, as discussed by Kliemt (1987).

The structured bridging problem of corporate values

In parallel with the classical bridging problem [*bridging problem*], the derived structured bridging problem does not address a gap between values and behavior of individuals but rather the disparities of agents on the one hand and structure on the other. Giddens (1984:373) describes what he calls "duality of structure" as the fact that "the structural properties of social systems do not exist outside of action but are chronically implicated in its production and reproduction" and consequently sees "structure as the medium and outcome of the conduct it recursively organizes". In doing so, Giddens asserts, that there is an exchange and mutual reaction between structure and the agents' actions within this structure [*duality of structure and agency*]. While such an assumption makes sense in a social context, I consider it less widely founded in the context of corporate values, since declared corporate values in a traditional corporate setup hardly react to the corporate group values actually influencing behavior of corporate agents. While other parts of the corporate structure, e.g., performance monitoring, bonus incentives or conduct guidelines, may react to the action(s) they organize, conventionally declared corporate values will hardly ever be changed based on their actual implementation by corporate agents. The bridge between declared corporate values and de facto corporate group values actually steering behavior in everyday reality is a one-way street, rendering the values of the virtual corporate agent static, thereby even meeting the requirement of stability, as required in the characterization of a corporate value in chapter 4.1.5.

The expansion of Giddens's 'duality of structure' to the 'quadripartite cycle' in the strong structuration theory postulated by Stones (2005), transposed to the corporate

value context of an individual corporate agent or a group of corporate agents and transformed to a 'quadripartite Y' (illustration 3), in further detail describes what I labeled the structurized bridging problem [*quadripartite cycle*].

1) Corporate Values declared by value declarators and conveyed to the corporate agents are seen by an individual agent as external values, since they have an existence that is independent from the agent's existence and influence. As such they form the "structural context of action" (Stones 2005:84)²⁰ faced by the corporate agent, the only scale a corporation uses to judge an agent's behavior on a corporate value level, as it is the only point of reference publicly announced to the value recipients. In the example used in chapter 3.2.2 the declared value 'the lowest prices possible for our customers' is such an external value.

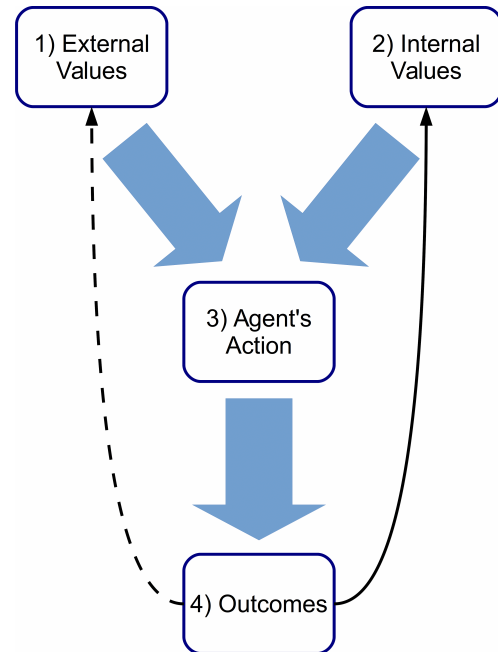


Illustration 3: Quadripartite Y of Corporate Values (illustration by author)

2) Internal values cover, in parallel with Stones's internal structures the agent's interior view of the world. In parallel with Stones's division into general-dispositional structures and conjunctionally-specific knowledge of external structures, internal values also comprise two elements (illustration 4): (1) the agent's own personal values and self-conception, corresponding to the concept of habitus as outlined by Bourdieu (1977) and (2) the agent's knowledge and conception of the values of the corporate group he perceives himself to be part of. The internal values of the quadripartite Y are thereby merging individual values of the agent and knowledge of binding values of a corporate group. In contrast to the quadripartite cycle of Stones the internal values are on the same level,

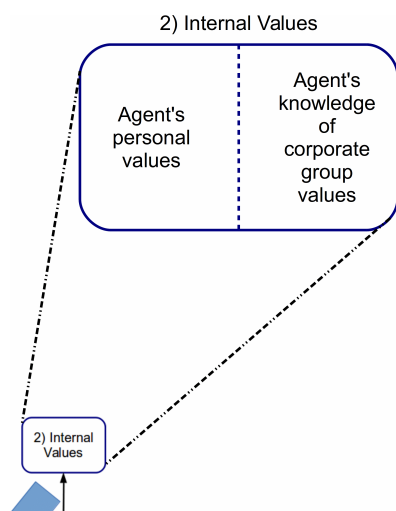


Illustration 4: Details of Internal Values in the Quadripartite Y of Corporate Values (illustration by author)

20 Quote transposed to the context of corporate values by the author

acting in parallel with the external values and are not part of a serial run through a cycle. This illustrates the independence of external and internal values. If no external effort is put in the synchronization of these two kinds of values, they independently and therefore potentially conflictingly exert influence on the agent's action.

3) The agent's action depicts the actions and non-actions of the agent motivated and guided by external and internal values. Such actions can take on the form of situational decisions and reactions in a corporate context, as well as habitual behavior as personal understanding of the own role as corporate agent and member of a corporate group. Behavior outside the corporate environment and the role as corporate agent are thus left aside.

4) Outcomes describe the consequences of the agent's actions, whether intended or unintended. The intention regarding the consequences of the agent's actions can take place in different points of the scheme: (1) External values have been assembled and declared in order to attain certain outcomes, (2) corporate group actions have been developed and cultivated with certain intentions in mind, and (3) the agent has made decisions aiming at certain outcomes. These intentions and goals might overlap but they can as well fundamentally differ. In parallel with Stones's quadripartite cycle, outcomes are consequences of actions, at the same time they in turn have consequences regarding the values that originally triggered them, themselves. Such consequences triggered by outcomes can include "change and elaboration or reproduction and preservation" (Stones 2005:85). However, in contrast to Stones's quadripartite cycle, these consequences, in a corporate context, do not involve external and internal values to the same extent, unless the corporation has institutionalized procedures to evaluate value achievement not dissimilar from the evaluation of business target achievements. Should this not be the case, breaches of corporate values only come to a corporation's attention when they happen to interfere with other, evaluated indicators. Whether deviations of such non-value related indicators are at the time of their discovery attributed to preceding breaches of corporate values remains unclear, though. In contrast to the unsteady and preconditionally dependent feedback loop between outcomes and external values, the impact of the outcomes on internal values "can be thought of as part of the overall effect of structuration on agents" (Stones 2005:85)²¹. In other words, consequences for internal values, corporate group values and individual ones, in the form of change or reproduction of extant values, are, in contrast to the consequences for external values, systemically inherent.

21 Quote transposed to the context of corporate values by the author

Conclusion

Transposing the bridging problem to a corporate context results in a few simplifications due to the purely functional character of corporate values, but also reveals newly emerging complications. The approach to use norms to close the gap between values and actual behavior has been adopted by several disciplines and has been alluded to in chapter 3.4.2. The conceptual part of the bridging problem, as described by Baurmann (2010), is not discussed in further detail, as the working assumption for corporate value is that they are purely functional and as such endeavor to be feasible and suitable for day to day application. The practical part, however, raises the question, how corporate agents are motivated to implement declared corporate norms and as a consequence corporate values in their daily behavior. The approach to exclusively use a sophisticated system of sanctions turns out to be inefficient and only adequate for selected zero-tolerance areas, as for example pointed out by Hart (1961), Kliemt (1987) or Brennan and Pettit (2000). The much more efficient and effective approach is the promotion of self-commitment, the perception of "having an obligation" (Hart 1961) among corporate agents, i.e., a synchronization by internalization of corporate values, corporate group values and individual values in the context of the role as corporate agent. Whether this internalization emerges in a weak form, where an agent considers it as an advantage to enforce declared corporate values in their transformed shape of corporate group values within his own corporate group, or in a strong form, where an agent deems it in his own best value interest to follow corporate values transposed to his context in the shape of corporate group values, is for the functionality of corporate values irrelevant.

Seen through the lenses of Giddens's structuration theory or rather Stones's strong structuration theory the three different layers of values in a corporate context lead to a transformation of dependencies. Declared corporate values take the function of the external structure, however not influencing the agent's actions via the internal structure but independently from it. Influencing the agent's action on the same level are the internal values, taking the role of the internal structures. The reason for this equal ranking are the different feedback loops from the outcomes of the action to the different value structures. The agent's personal values and the corporate group values experience the outcomes directly and consequently react to it with either change or strengthening. Unless the corporation has an institutionalized feedback loop for corporate values, the external values find themselves unable to react to the agent's actions, remaining detached from their actual way of implementation in daily life.

How exactly a corporation is to address the task of going past the point of formal institutions as instruments of value realization is beyond the scope of this characterization of corporate values. It is, however, crucial to the value recipients' general understanding of a corporation's values to know what mechanisms are in place within a corporation to foster internalization of corporate values among corporate agents or corporate groups. Such mechanisms can reach beyond means to advance the internalization of corporate values by existing employees but could e.g., also address the selection of new employees to hire or whole corporations to absorb. It is also conceivable that different corporate values are supported by different mechanisms, e.g., depending on the value cluster they are part of.

4.2 Phases

In chapter 3, four different phases of a corporate value's life-cycle have been discussed from two opposite perspectives, representing the viewpoints of the corporate structure and the individual corporate agent. The conclusions drawn from observing the four phases through the lenses of the two perspectives will be used in this chapter in order to identify elements necessary to depict the characteristics of structure and agent and transform these elements into analytical questions. The phase of generation can consequently be anticipated to raise questions aiming to characterize the corporate value itself: its goal, its significance, its background. The phase of conveyance, on the other hand, rather focuses on the actual implementation and application of the corporate value, broaching questions concerning who should be entrusted to do what, who should to convey the value, how it will be ensured that the conveyed value is not unexpectedly rejected by value recipients, and how flexible the application of the corporate value can be carried out to adapt it to situational circumstances without foiling the value itself. The control phase, with the aim to render the corporate value palpable, covers aspects related to value measurability, durability and transgression, as well as the ontological perspective underlying the value. Finally, the phase of evolution, addressing situations of value change, is expected to pinpoint questions concerning value feedback, value integrity, as well as cause and character of value change.

The basic elements discussed on the lowest level play a crucial role on this middle layer of value phases. They for example set a minimal standard for the disclosure of information regarding corporate activities, provide a definition of the key term 'corporate value', motivate the necessity of a categorized, relevant selection of corporate values, or identify the differentiation between value goals and goals of the activities set up to

achieve those goals. In such a way, the middle layer 'Phases' grounds on and operates with the underlying layer of 'Basic Elements'.

4.2.1 Generation

As the initial phase, the phase of generation of a corporate value takes an exceptional position among the four phases of a corporate value. As the only phase it appears just once in the life-cycle of a corporate value, when it is declared for the very first time. Due to this unique status, the function of the phase of generation is of equally extraordinary importance. During this phase the virtual corporate agent's equivalent to a primary socialization with regard to the corporate value's content [*corporate value*] takes place and any other phase is based on this phase of generation of a corporate value, conveying, controlling or evolving it. Based on the insights of chapter 3.2, the following analytical questions represent the elements of this phase:

Q1 What issue shall be addressed with this corporate value?

This question broaches the central issue of a corporate value. It poses the question as to what calls for this functional corporate value, be it a current problem that needs solving or a potential future issue that should be avoided. It serves as a detailed description of the issue(s) addressed by a corporate value and has three purposes:

(1) It identifies the perceived need for this corporate value and offers the value recipient the possibility to either refuse this need as unfounded and consequently comprehend the corporate values as a waste of resources or identify with it and confirm that value recipient and value declarator(s) indeed form a value group in this respect [*trust towards corporate values*]. (2) It acts as a calibration for the question regarding the situation after an absolutely successful implementation of the corporate value. If value recipient and value declarator indeed have a common understanding of the concern that is to be addressed with a corporate value to an agreed degree, the portrayal of what is to be addressed in question Q1 will fit the portrayal of how will it be like after the corporate value has been successfully addressed [*value goal achievement*] broached in question Q4. (3) An understanding of what shall be addressed with a corporate value also gives a first indication of who the value implementors could be. Any person without influence in the given area for example makes for an obviously bad value implementor. To identify this necessary area of influence [*trust towards corporate values*] and therefore have something to evaluate the quality of designated value implementors is one of the benefits of question Q1.

Q2 Why should this corporate value be deemed essential for the corporation?

This question addresses the importance of the issue [*categories of relevant values*], which has been the focus of the preceding question. Asked about the reasons why a certain value seems important, a human agent can reply with functional arguments as well as ideological ones. A corporation, however, faces the fact that corporate values are per se functional. Justifications are hence expected to rely on functional arguments. This, however, does not necessarily mean that ideological ideas cannot motivate corporate actions. The origin of such ideological ideas, however, has to be explicitly human and serve human ideologies and creeds; not corporate ones or the ideas would be considered functional again. The answer justifying the relevance of the statement regarding Q1 can be given on two levels, where both have to be accounted for.

(1) The first level addresses the purely functional character of the corporate value. Which consequence has been intended when creating this corporate value? The justification for the corporate value to have a yearly gross profit of at least 15% could, for example, be to enhance the attractivity for new investors or to be able to distribute more and more to the shareholders. (2) This functional reasoning, however, cannot tell the entire story of a corporate value as it only discloses the value goal, not the addressed value issue. For this example, it remains unclear why attracting new investors or being able to distribute more and more money to the shareholders is something desirable. It might be that the justification is again based on another functional argument, e.g., that new investors are needed to build up a new presence on new markets, but at the end the ideological question regarding the final importance for the virtual corporate agent remains to be answered on the second level. The only entity able to answer this question are the value declarators, the people responsible for the shaping of the virtual corporate agent's 'character and soul' [*corporate value*]. It is them that have to announce that the desire to distribute a certain amount of profits or build up presence in certain markets is a core feature of the virtual corporate agent they personally decided to form in this particular manner for ideological reasons and are therefore not negotiable.

Q3 Who has sponsored this corporate value at which point in time?

In consequence of the answers to Q2 on the ideological level this question clarifies the identity of the value declarators, providing their names and corporate roles. As these individuals with their personal ideologies answer for the character and quality of the artificial being the virtual corporate agent is, it is important for value recipients to know them and consequently have a better chance to assess the quality of their ideolo-

gies existing at the time of the value generation. It cannot be overstated that even if organizational bodies like committees, boards, commissions, panels, etc. formally take the decision how to formulate a corporate value, it is vital to disclose the individual members of the body, standing behind it with their beliefs and views. It is only them, who can answer Q2 on an ideological level, as every organizational body, just like the virtual corporate agent, is restricted to a functional mindset only. Since individual beliefs and views are influenced under the impression of events and experiences they potentially erode or evolve over the course of time. It is therefore essential for the understanding in hindsight to provide information concerning the sponsors and the timeline of a corporate value.

Q4 What is the goal of this corporate value?

At first sight it might seem redundant to ask for the goal of a corporate value [*value goal achievement*] after having asked for the issue that should be addressed, the motivation in question Q1. The motivation and the goal of a corporate value, however, do by far not have to be congruent. There are two reasons for such a potential incongruency with their very own impact on the quality of the answer: (1) The issue triggering action by motivating a corporate value can be much more substantial than what the value declarators are either willing or able to address with a corporate value. If, for example, the motivation behind a certain corporate value is global poverty, it would be presumptuous to set the global eradication of poverty as a goal for it. In fact, the goal for a corporate value with such motivational background can only consist in contributing to the solution, in this example the reduction of global poverty, in a particular way to a certain degree. The description of this target degree of contribution forms the answer to question Q4. (2) The issue motivating a corporate value does not necessarily have to be linked with the goal chosen for the corporate value in the view of all value recipients. The corporate value to fight poverty, for example, can be linked with the goal to donate a certain part of the yearly profit to a church, providing that one sees a donation to a church as an appropriate way to tackle poverty. For all recipient values supporting the idea to fight poverty but not sharing the opinion that a donation to a church is going to fix poverty this information is of essential importance.

4.2.2 Conveyance

The phase of corporate value conveyance naturally follows the phase of generation to disseminate the corporate value resulting from it [*generation of corporate values*]

outside the circle of value declarators and render it thereby functional. As the phase of corporate value control, the phase of conveyance is an ever-repeating phase for two reasons: (1) The individual agents of a corporation change over time and the new entrants have to be instructed regarding the corporate values at play. (2) Even without personnel turnover the individual agents' picture of corporate values has to be refreshed again and gain in order to prevent latent value mutation. Based on the deliberations of chapter 3.3, the following questions represent the elements of this phase:

Q5 What activities are foreseen to achieve the goal of this corporate value?

Which activities have in fact been put into action to contribute to the achievement of the goal of the corporate value is part of the regular corporate value reporting (see chapter 3.6) and not the declaration of a corporate value. A portrayal of possible activities, however, facilitates a better understanding of the goal the corporate value is aiming at [*value goal achievement*] and the maturity of the ideas behind it. Any subsequent deviations from this outlook is certainly possible and not per se objectionable. Depending on the degree of deviation such decisions can either be, in cases of minor deviations, reported in the regular corporate value reporting or, in cases of fundamental re-orientations, in the documentation of a value evolution (see chapter 4.2.4). However, since the functionality of corporate values unfolds on a long-term level [*corporate value*], frequent variations of implementation activities risk impairing a corporate value's purpose.

Q6 Which corporate entities are entrusted with this corporate value in which ways?

It is important for a general understanding of the virtual corporate agent's character by the value recipients that they are all familiarized with a corporation's values. The information regarding the identity of the value implementors, however, allows for a deeper understanding of where the corporate value shall be applied by whom [*trust towards corporate values*]. There are undoubtedly corporate values that are designed to influence all parts of a corporation without exception. Most of those, however, would probably be perceived as self-evident (e.g., respect for legal regulations or avoiding waste of resources), which explicitly should not prevent their declaration [*corporate value*]. Nevertheless, for the majority of corporate values, examples of corporate agents unaffected by them can be found. The value to achieve a certain yearly profit is not the responsibility of an assembly-line worker, although he might be affected by activities derived from this value, nor is it in the sphere of influence of a desk officer to

make sure young families are supported. Consequently, ambiguities regarding the value implementors do not strengthen a value by spreading the burden over many shoulders but weaken it by diluting obligation [*corporate action*].

Q7 Under which conditions can this corporate value be adapted against the backdrops of different working environments?

Even with a detailed portrayal of value implementors in question Q6, there might arise critical distinctness regarding the applicability of a corporate value in certain working environments. The approach to dictate a principal value and let different sub-units adapt it to their working environment pays tribute to the heterogeneity of many corporate environments. While this concept might allow for a higher efficacy of corporate values by considering a sub-unit's particularity, it also withdraws their implementation from the value recipient's view [*trust towards corporate values*]. Hence, if not handled with great restraint and within well-defined borders such an approach can endanger the corporate value's original functionality. Even though the effort to come up with one corporate value and let it trickle down is considerably lower than creating several corporate values and restrain their scopes to individual sub-units, it harbors the danger of effectively meaningless as-if communication. Consequently, the answer to question Q7 serves the purpose to give the value recipient an impression of how precise or flexible the application of a corporate value is envisioned.

Q8 How is this corporate value conveyed to value recipients not yet familiar with it?

The functionality of any corporate value is heavily impaired if the value recipients entrusted to implement it in their everyday working life, the value implementors, do not share the same understanding of it as the value declarators. The functionality is equally endangered if the remaining value recipients cannot assess what the corporate value means with regard to future corporate actions due to a lack or distortion of their understanding of the corporate value. A newsletter email to all employees with an attached 220-slide presentation, for example, might contain all relevant information concerning the current corporate values but will most likely not attain the necessary attention of the addressed value recipients. Listing all corporate values in an uncommented bullet list on the corporation's webpage for all value recipients to take notice of won't lead to a deeper understanding of the conveyed values. Which approach provides the best performance when it comes to conveying the ideas of corporate values is beyond the description of corporate values' characteristics as mentioned in table 2. However, it is cer-

tainly part of the characterization of a corporate value to provide information concerning this point.

Q9 What potential collisions between individual or group values and the corporate value have been anticipated?

Value collisions are a serious danger to any successful implementation of corporate values rooting in two situations: (1) Should declared corporate values collide with undeclared corporate values, a value violation is unavoidable. (2) A collision of corporate values with protected individual or group values is likely to provoke fierce resistance, whether openly or covertly.

In both situations, the value recipients risk that corporate actions will not be triggered by declared corporate values but by concealed causes. The first situation can be approached by analyzing the self-portrayal of the corporation regarding its achievements (see chapter 4.1.3), while the second situation remains largely unidentifiable by both value recipients and value declarators. It is therefore in the interest of the value declarators to anticipate such potential collisions. Considerations of this nature can lead to better formulated declarations of corporate values avoiding the value conflicts beforehand. However, conflicts cannot be entirely avoided without compromising the quality of corporate values. The publication of anticipated potential conflicts and the intentions of what will be prioritized in such a situation takes this into account and makes it transparent for the value recipients. Whether such a disclosure is able to reduce conflicts by achieving some level of understanding among the bearers of conflicting values, remains to be seen.

Q10 Which motivation is conveyed to the value implementors?

Value implementors, if not already driven by equivalent, pre-existing motivations, need a reason to accept the guidelines set up by a corporate value. The nature of such a reason can be manifold and can only partly be controlled by the value declarators, as motivation is seldom fueled by a single factor. However, no matter the quality of the different factors contributing to the resulting motivation, the value declarators add a significant part to it, playing a crucial role when it comes to the implementation of the declared corporate value in everyday working life. The most obvious two motivations to convey are (1) motivation of a power gradient, suggesting the value implementors that they should be motivated to implement the corporate value because they are told to do so by a more powerful entity and (2) the traditional motivation, implying that corporate value are to be implemented in a particular way since that is what everybody has been

doing around here. Both of them are extrinsic, described by Hart (1961:80) as "having an obligation", and therefore rather short-term oriented and prone to value mutation. An intrinsic motivation, in Hart's words "being obliged", is, while more persistent and reliable, harder to provide, as it depends on the corporate value's content, which has to be viewed from the perspective of the individual corporate agents to provide a sound basis for intrinsic ambition [*structurized bridging problem*]. The assumed reason, why, from a value declarator's perspective, a value implementor should or could be motivated to properly implement a corporate value, lets value recipients assess why the corporate value is supposed to be considered valuable and how probable such a proper implementation is.

4.2.3 Control

The phase of corporate value control follows the phase of corporate value conveyance and serves the purpose to keep a corporate value as functional as it was after its generation and conveyance. Therefore, the focus of this phase is on mechanisms overseeing the ability of the corporate value to work towards its goal outlined in the answer to question Q4 and therewith contribute to a solution to the issue described in the answer to question Q1 [*generation of corporate values*]. Functionality of a corporate value, however, is not limited to maintaining its action guiding function, but also includes its communicative capacity towards value recipients. As discussed in chapter 3.1, being noticed is a core function of a corporate value. Hence, the phase of corporate value control also has to include question concerning the observability of the corporate value and its condition by the value recipients. Based on chapter 3.4, the following questions are used to represent the elements of this phase:

Q11 Which corporate institutions are in place to stabilize and refresh this corporate value?

In parallel with question Q8 this question aims at disclosing the corporate institutions in place to convey corporate values to value recipients. While question Q8, however, is directed towards the initial familiarization with corporate values, this question focuses on the recurring refreshing of corporate values to counteract value mutation [*structurized bridging problem*]. Whether the same mechanisms are used for the initial conveyance and the recurring refreshers is, as in question Q8, at the corporation's discretion and beyond the scope of the characterization of corporate values. The information how the challenge of value mutation is met, however, is an integral part of a corporate

value's characterization, as it heavily influences its functionality [*trust towards corporate values*].

Q12 What norms are in place to indicate value transgression or achievement?

As transgression or achievement of a norm is much easier to be inter-personally measured than value transgression or achievement, it is used in this framework as one measurement of corporate value functionality [*social value norm*]. Besides better measurability, norms also provide additional information to value recipients how a corporate value's goal is interpreted by the value declarators. It is of vital importance to distinguish between norms for value transgression or achievement and the success criteria of the activities defined to implement the corporate value. A possible norm, for example, to indicate value achievement of the corporate value 'decrease energy consumption' could be: 'lower total energy consumption by 10% in comparison to the previous year'. The success criteria of an activity defined to implement the corporate value, on the other hand, could be: 'install energy-efficient printers'. While there is undoubtedly a correlation between the value norm and the activity's success criteria, it is obvious that the installation of energy-efficient printers does not automatically lead to a lower energy consumption, as for example a higher page-count or an entirely different factor such as the installation of an air conditioning system could lead to an ever higher energy consumption nevertheless.

Q13 How are these norms measured and published?

Results of a corporate value norm measurement have to be published, in parallel with the corporate value itself, to establish trust in the actual guiding function of a corporate value among value recipients. Factors like the frequency of publication, the level of detail, the comparability to previous publications, availability of the publication, etc. influence the level of trust placed in the corporate value and hence in the corporation declaring the value to the value recipients. Additionally, the fact how norms are measured is of crucial importance for the integrity of a corporate value norm [*social value norm*]. To remain with the same example as in question Q12, if the energy consumption is measured by summing up estimations of the employees, the trustability of the corporate value is obviously hampered. While the solution for this example seems evident, efforts to effectively measure satisfaction of people depending on the corporation declaring the values, e.g., employees or sub-contractors, might become much more complex.

Q14 Is this corporate value pursued from of a point of view informed by duty-ethics or consequentialism?

In simple terms, this question inquires whether a violation of a corporate value is acceptable in order to achieve a greater accomplishment regarding the same corporate value at a later point in time (consequentialistic point of view) or whether any violation of the corporate value has to be avoided (duty-ethical point of view). The violation of a corporate value for the sake of a higher good besides the corporate value itself is explicitly not in focus of the consequentialistic point of view of this question. In this framework such cases are considered to be value conflicts and are handled in either question Q9 or in the portrayal of value interplay as described in chapter 4.3. By disclosing the duty-ethical or consequentialistic nature of a corporate value the expectations of value recipients towards future corporate behavior can be put on a founded foundation [*value goal achievement*].

Q15 What are the presuppositions made for this corporate value?

When declaring value presuppositions of a corporate value, the value declarators have to be aware of their audience. While technical terms, titles, abbreviations, collective terms, unit designations, etc. might appear to be self-explanatory to anybody within a corporate organization, this might very well not be the case for value recipients outside these structures. A guideline for the ideal explanation of value presupposition is, that they should break down any term within the corporate value declaration in a way that any person without any specific knowledge would get the exact same understanding as the next person without any prior knowledge. Only such an interpersonal understanding of the corporate value permits a wide-range, interpersonal assessment of value goal, activities, value implementor identities, etc.

The necessity also arises concerns everyday expressions lacking an exact definition. If, for example, a value is aimed at 'young mothers', it might be quite clear what conditions have to be fulfilled to call a human being a mother. What has to be fulfilled, however, to meet the condition of 'young' remains unclear without further explanation [*value goal achievement*].

4.2.4 Evolution

The phase of corporate value evolution is the only phase outside the sequence of phases directly caused by the generation of a corporate value. In contrast to conveyance and control of a corporate value, its evolution can be held off for a long time or

even fail to materialize at all. This phase is therefore the only phase that does not have to be defined along with the generation of a corporate value. If a corporate value happens to be just perfect, its evolution even becomes unnecessary. A 'perfect corporate value' does not necessarily mean that all value recipients agree with it. It merely means that all components of the corporate value are in line with the idea of the virtual corporate agent, the value declarators want to represent the corporation. Hence, evolution of a corporate value is an indicator of lack of perfection and at the same time a sign for learning aptitude and the willingness to adopt new ideas. Consequently, it has to address, apart from the obvious need to revisit the questions of the corporate value generation phase [*generation of corporate values*], both sides of the coin: (1) Values are supposed to be stable. Changing them endangers the value recipients' ability of prediction and identification and therefore has to be accompanied by a justification of the decision towards a value change and information concerning the situation after the change to allow for re-orientation of the value recipients. (2) Values unable to reflect the course of time or react to own imperfections [*conclusions drawn*] are soon outdated, implausible and therefore dysfunctional. They therefore need mechanisms of self-review and review by value recipients to maintain the opportunity of value evolution and refinement. Based on chapter 3.5, the following questions are used to represent the elements of this phase:

Q16 What is the cause for the evolution of the corporate value?

The cause for an evolution of a corporate value has to be answered on two levels in order to cover both the changes of the corporate value itself and the changes this implies for the virtual corporate agent [*trust towards corporate values*]:

(1) The level of the corporate value's functionality broaches the question of what imperfection created the need to evolve the corporate value. The framework provides four categories of such needs for value evolution: (1a: value strain) The corporate value is not considered valuable anymore. Therefore, it has lost its *raison d'être*. (1b: aspiration strain) The value is still considered valuable but reaching it in another way is deemed more expedient, therefore it will not be continued in the current form for practical reasons. (1c: deprivation strain) The value is still considered valuable, but there are other issues and goals that address this value in a better way. (1d: coping strain) The value is still considered valuable and reachable but due to the effort entailed it is not considered worthwhile and will therefore not be continued for practical reasons.

(2) The level of the virtual corporate agent brings up the question of what has led to the change of perspective, causing the virtual corporate agent to perceive the imperfection described on level 1 as imperfect, in contrast to the phase of corporate value generation. The framework does not provide a list of possible origins but rather seeks to identify two principle causes of the change of perspective: (2a: increase of self-awareness) The value declarators realized that the corporate value currently in place does not (fully) depict the value the virtual corporate agent has and had all along. This realization is a consequence of a misguided value generation leading to the faulty corporate value currently in place. From the perspective of the present day the decision to generate this faulty corporate value remains to be explained. (2b: change of self-conception) The value declarators decided to issue a completely new value for the virtual corporate agent. While in this case there is no faulty corporate value left to explain, the circumstances leading to a profound change of the character of the virtual corporate agent call for a justification.

Q17 Is the goal or the means of the corporate value affected and what is the background of this change?

While a comparison of the corporate value's old and new versions naturally reveals the affected elements, this question is rather directed towards commenting the background of those changes. As an orientation, it divides the question into the goal pursued by the value (discussed in Q1) and the means to contribute to the solution to this issue (discussed in Q4). Combining these two aspect of the question results in two non-options and three possible questions to answer:

Table 8: Issue or Means Affected by Evolution

	Same goal	New goal
Same means	[no changed elements]	Why is the newly formulated goal considered more valuable than the previous one and how can the same means originally designed to address the former goal serve their purpose of the new one?
New means	Where has the previous means failed to address the goal and how will the new means do a better job?	If the evolved corporate value is addressing a new goal using new means, how is it still connected to the addressed issue and to which extent is the new approach superior to the old one?
		[Both goal and means have been changed, since the former issue has been dropped.]

Q18 How is the evolution of the corporate value characterized?

Apart from the information whether a corporate value's designated issue, goal or the means to get there are affected by a value's evolution (see question Q17), the framework expects a general characterization of the evolution within one or several of the following five categories based on the ten categories of value change described by Williams (1979) and adapted to the nature of this framework: (1) 'Destruction' describes the de-evolution of the value and consequently its disappearance from the corporation's list of corporate values. (2) 'Change of priority' describes a revision of the value's intensity in comparison with other values, either by increasing or decreasing it, incorporating Williams' categories of 'attenuation' and 'intensity'. (3) 'Change of scope' covers any expansion or narrowing of the area of application of the corporate value and combine Williams' categories of 'extension' and 'specification'. (4) 'Reactive change' comprises changes of a corporate value made necessary by changes conducted on another corporate value for example for consistency reasons, taking the place of Williams' categories of 'consistency' and 'limitation'. (5) 'Additional information' describes the ad-

dition of information, e.g., a more detailed or explicit rationalization, incorporating William's categories of 'elaboration' and 'limitation'.

Q19 Which corporate institutions are in place for internal value recipients to give feedback regarding this corporate value?

Feedback from internal value recipients, especially value implementors is most valuable for both, value declarators and the remaining value recipients for the same reason. If difficulties arise during the implementation of a corporate value in everyday working life, be it due to unforeseen collisions with other corporate values, the unpracticability of foreseen collisions with other corporate values, unclear value presuppositions, ambiguous value implementors, etc., internal value recipients, especially value implementors are the first ones to notice it, maybe even foresee it based on their professional experience. For value declarators such insights are indispensable to ensure a corporate value's functionality or regain its functionality by evolving it into the right direction [*conclusions drawn*]. In organizational literature this is mainly discussed on ethical issues (Jones et al. 2004), but is also true for all other topics concerned by corporate values. However, since internal value recipients' criticism might seem unfavorable for the corporation's image, there might exist a reasonable skepticism towards the genuineness of feedback institutions on the part of value recipients. This question is about how value declarators can resolve this skepticism and present the nature of their feedback mechanisms, therewith improving the functionality of the corporate value and the confidence of all value recipients. Anonymity is certainly an important topic to discuss, especially in a modern online world. However, although it seems intuitively valid that anonymity guarantees open and frank speech, it also potentially causes problems when it comes to authentication of the value implementor and verifiability of the statement, as for example addressed by Schechter, Parnell, and Hartemink (1999), Scott (2005), or Langer, Jonker and Pieters (2010) in different, related fields. The applied solutions to these problems can nevertheless also be part of the answer question Q19.

Q20 Which corporate institutions are in place for external value recipients to receive other value recipients' view on this corporate value?

In parallel with question Q19 this question ask for the mechanism allowing external value recipients to give feedback on this corporate value. While the intended focus of Q19 is the practicability of the value implementation, this question aims for a general feedback, mimicking the feedback to individual values by a social group. As corporate values exist in order to be communicated to value recipients and shape their impression of the virtual corporate agent, it is of importance to the value declarators how this

impression is actually shaped to avoid misunderstandings or gain new ideas how to relate the value of their corporation [*conclusions drawn*]. In contrast to the anonymity-related problems of question Q19, authorization is hardly an issue since anybody reacting to a corporate value can be considered to have received it beforehand. However, precisely because authorization cannot be applied, the phenomenon of 'trolling' as for example discussed by Hardaker (2010) plays a more important role. How the corporation plans to deal with this reality of the modern world is therefore an essential part of this question.

4.3 Clusters and Sets

Although theoretically conceivable, I assume that most corporations will not only declare one single corporate value to influence their selection from their available modes, means and ends but several. As "one basis of the value structure is the fact that actions in pursuit of any value have consequences that conflict with some values but are congruent with others" (Schwartz 2012:8), the question of how to relate several corporate values to one another, has to be part of the framework. I differentiate two different kinds of arrangements of corporate values: corporate value clusters, depicting thematic groups defined by the value declarators, and corporate value sets, describing different kinds of interactions between declared corporate values.

Corporate Value Clusters

The term value clusters is used to describe documented groups of corporate values, e.g., for reasons of legibility or clarity. Which value properties [*corporate value*] are used to label the value clusters and delimit them from one another is not specified by the framework and is consequently up to the value declarators. It is also not specified how many levels of value clusters there are, although it is advisable to keep the number of levels as low as possible to avoid disorientation. In the example below (illustration 5) the clusters (core, protected and created values) and exemplifying corporate values in those clusters as proposed by Wenstøp and Myrmel (2006:680) are used to demonstrate one possible application of value clusters. Any other arrangement of values in arbitrary groups, such as the categorization proposed by Lencioni (2002:114) differentiating core values, aspirational values, permission-to-play values, and accidental values, would also be acceptable to the framework, as long as the value declarators document their decision to arrange corporate value obeying a certain logic and as long

as this arrangement pattern remains stable, at least over several reporting periods but in principle as long as possible.

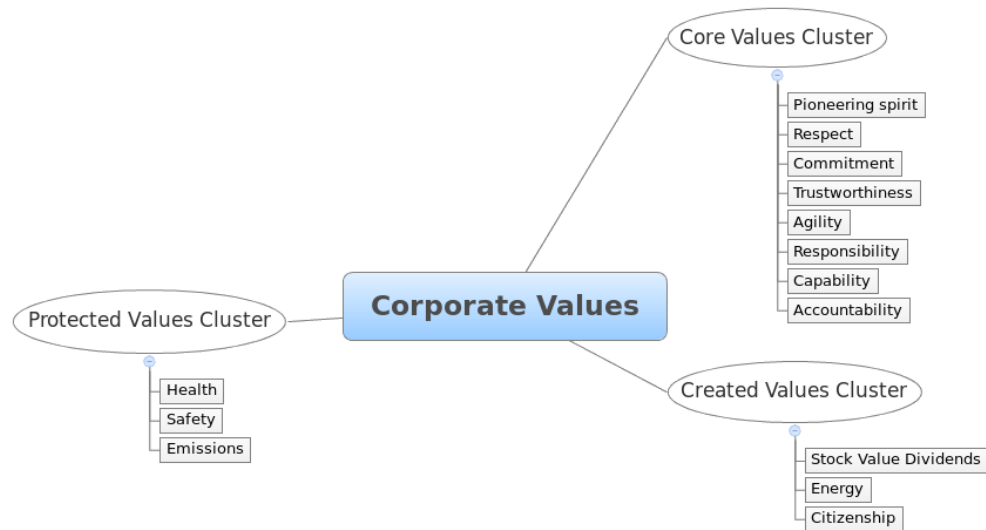


Illustration 5: Examples of Value Clusters (illustration by author)

Corporate Value Sets

In parallel with the concept of value dimensions, as e.g., maintained by Inglehart (1971), Inglehart & Klingemann (1996), Klages (1992) or Schwartz (1992a, 2006), value clusters in this framework designate different corporate values with a content or rather dimension related correlation. Corporate values are in this framework not declared as single values but rather in value sets, therewith disclosing their embedding into the landscape of values [*trust towards corporate values*]. When looking upon corporate values on a one-dimensional axis, as e.g., Inglehart did with his research concerning the post-materialistic orientation of social values, an increased development towards one end of the scale inevitably means a decrease in relation to the other end. In consequence, every statement in favor or against one corporate value implicitly carries a statement concerning one other corporate value. For example, a corporation declaring the corporate value to focus on domestic business implicitly references the value to concentrate on international deals. What at a first glance appears to be a pair of two separate, contradicting values can be regarded as two opposite characteristics of the same value, like short and tall are two characteristics of the same attribute body height. Since making a statement concerning one characteristic of a value implicitly includes a communication concerning the opposite characteristic and the characterization of a corporate value specifies it to be explicit, a description of a specific corporate value,

e.g., focus on domestic business, has to include the other interplay value of the value set, e.g., concentration on international deals. In contrast to one-dimensional value axes, as used in the example above, value sets can also be applied to multi-dimensional value axes, resulting in more than two interplay values in a value set. For example, a corporation declaring the value of high profits for the shareholders, could contrast this with the value to produce with a low degree of automation, the value to keep wages high, the value to exclusively sell low-price, low-profit-margin products, etc. The case exemplifies that there are numerous counterparts in the form of interplay values to one corporate value to choose from, in contrast to the exclusive, precise pair of short and tall used in the analogy above.

Which and how many of these numerous counterparts are selected to form a value set and what reasons are given for this decision are informative hints for value recipients, as it discloses the value declarations' perception of the underlying complexity, their awareness of inter-dependency and their intention how to handle it. Value sets play a role against the backdrop of all four value phases [*generation of corporate values, evolution of corporate values, conveyance of corporate values, control of corporate values*], as the interplay of corporate values takes place during the generation of corporate values, is an important part of their conveyance, influences the approach in the control phase and has to be considered in the evolution of corporate values.

In illustration 6 the same value clusters and values as already used in illustration 5 are depicted, this time however with the three following examples of value interplay forming value sets:

Impairing value interplay

The red, dotted line pointing from the corporate value 'safety' in the Protected Values Cluster to the value 'pioneering spirit' in the Core Value Cluster (illustration 6) indicates an impairing value interplay. This signifies that the value declarators are aware of the fact that their claim for safety cripples their efforts for pioneering spirit and that they chose to prioritize safety before the pioneering spirit. By all means, both corporate values need a much higher level of specification than what can be done in this example focusing on illustrating an impairing value interplay. The quality of the impairing value interplay connecting these two corporate values into a value set needs further itemization, describing how the value declarators intend to address the arising dilemma. Such an itemization could, e.g., determine that while no risks will be taken when it comes to endangerment of human life or environmental damages. However, financial risks up to

10% of the yearly revenue will be taken to support the pioneering spirit. This pioneering spirit, on the other hand, could, e.g., be characterized as not directed towards all areas of the corporations spheres of activity but rather focused on the development of new products and distribution channels.

Amplifying value interplay

The green, solid line pointing from the corporate value 'responsibility' in the Core Values Cluster to the value 'health' in the Protected Value Cluster (illustration 6) indicates an amplifying value interplay. It expresses the value declarators' awareness of the fact that the valued sense of responsibility by its own nature promotes the valued goal of health via the working conditions of the personnel. This does not exempt the value declarators from defining both corporate values in detail or explicating the actions and norms leading both values to success, but merely points out that from the value declarators' perspective the success of one corporate value positively influences the efforts of another corporate value.

Balancing Value interplay

The blue, dashed line pointing to and from the corporate value 'respect' in the Core Values Cluster respectively the value 'stock value dividends' in the Created Value Cluster (illustration 6) indicates a balancing value interplay. It denotes that both corporate values are dependent on the same resource and the value declarators have not given one of the two values priority over the other but have chosen to balance them against each other with respect to this resource. This quality of interplay, even more than the previously described ones, needs further explanation, in the form of motivations, goals and actions, concerning how such a balance is supposed to take place. In this simplified example, the stock value dividends could be limited (action) to a level still allowing for median wages above the level of competitors (goal) to esteem the efforts of the corporation's employees (motivation).

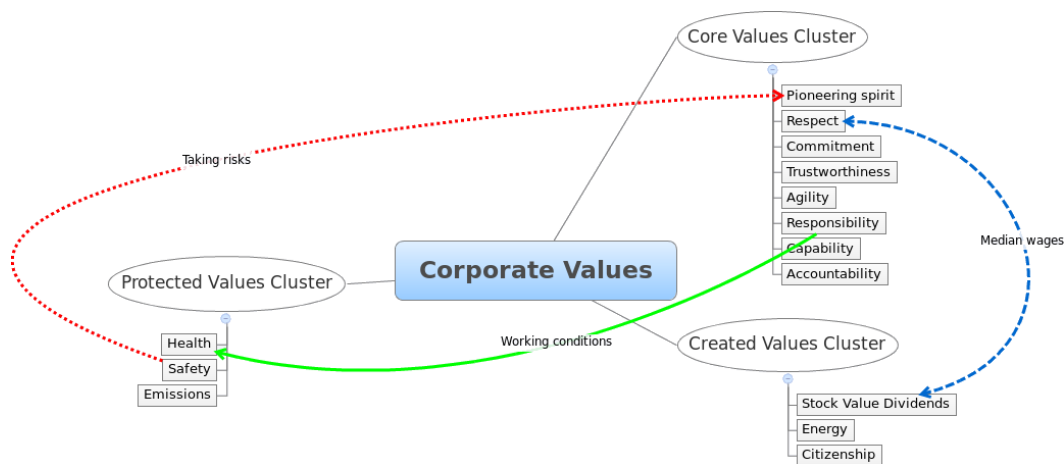


Illustration 6: Example for Value Sets and Interplays (illustration by author)

Both, value clusters and value sets play a key role in the depiction of corporate value issues and the value goals derived from them. While value clusters are a depiction of the virtual corporate agent's value categories, the value sets and their value interplays rather represent value priorities within and across these categories. The interplays of corporate values in value sets are crucial for the depiction of value issues, the value goals derived from them and their reciprocal effects. Chapter 6.5 illustrates the complexity of value interplays by analyzing the corporate value interplay of an example corporation's understanding of sustainability and its implementation. This process demonstrates the importance and consequences of the decisions made by the value declarators regarding the characteristics of a value interplays.

Now that all elements of a framework of corporate values have been established and discussed, chapter 5 takes the next step and puts the individual elements in relations with the aim to form an analytical, conceptual framework.

5 Construction of the Framework

In this chapter the elements discussed in chapter 4 will be put in interrelations in order to form a framework of a corporate value's characteristics. The framework is conceptual in the sense that: (1) It is the result of "qualitative processes of theorization" (Jabareen 2009:50), (2) which forms "a network, or a plane, of interlinked concepts that together provide a comprehensive understanding of a phenomenon" (Jabareen 2009:51), (3) laying out "key factors, constructs, or variables, and presuming relationships among them" (Miles and Huberman 1994:440). (4) The ontological and methodological assumptions discussed in chapters 3 and 4 relate to knowledge about the nature of things in an assumed reality, assessing "what it can tell us about the real world" (Jabareen 2009:51), thereby fulfilling another characteristic of a conceptual framework. (5) The statements made by the framework are not intended to embody "knowledge of the so-called hard facts" (Levering 2002:6), but rather "soft interpretations of intentions" (Levering 2002:6), (6) leading to conceptual understanding rather than precise prediction (Levering 2002:6). Nonetheless, the framework likewise has at least some characteristics of an analytical framework with its purpose "to create an underpinning prism for the construction of explanations" (Stanley 2012:474), the goal to be applicable to a broad variety of contexts through simplification and typification (Dowding 2001:103) and its claim not to strive for an exact representation of reality, but rather "to help categorise and reduce its inherent complexity" (Stanley 2012:476). To avoid ambiguities due to the rather blurry distinction between these two types of frameworks, I regard the framework as both conceptual and analytical.

I do not aim to depict temporal sequences or process flows in this framework but rather conceptual dependencies illustrating what concept stands on what concept's shoulders, thereby depicting the framework's inner logic and its embedding in existing, adopted concepts. Consequently, concept B depending on concept A is not contingent on any output of concept A that is picked up and further processed. Rather, concept B builds on the terms and understandings concept A provides and integrates them into its own elements. Hence, the resulting framework describes the conception of corporate values, revealing what this conception consists of and builds on. Neither should the interconnection of concepts be understood as a conceptual model, since, as Dowding (2001:91) puts it, "Models in the social sciences are simplified representations of social processes and institutions. They are not usually thought of as being 'true' or 'false' but rather less or more useful in helping us understand the world". In contrary to a simpli-

fied representation depicting a phenomenon of the real world, this framework aims at explaining a specific understanding of the conceptual characteristics of corporate values in detail. No variables are used nor measurements taken (cf. "Features of Conceptual Frameworks" listed by Jabareen (2009:51)) and later compared to the real world phenomenon to determine the model's accuracy, but instead reasonings are given, why this understanding of corporate values is worth considering, what it consists of and what its statements allow the framework user to do.

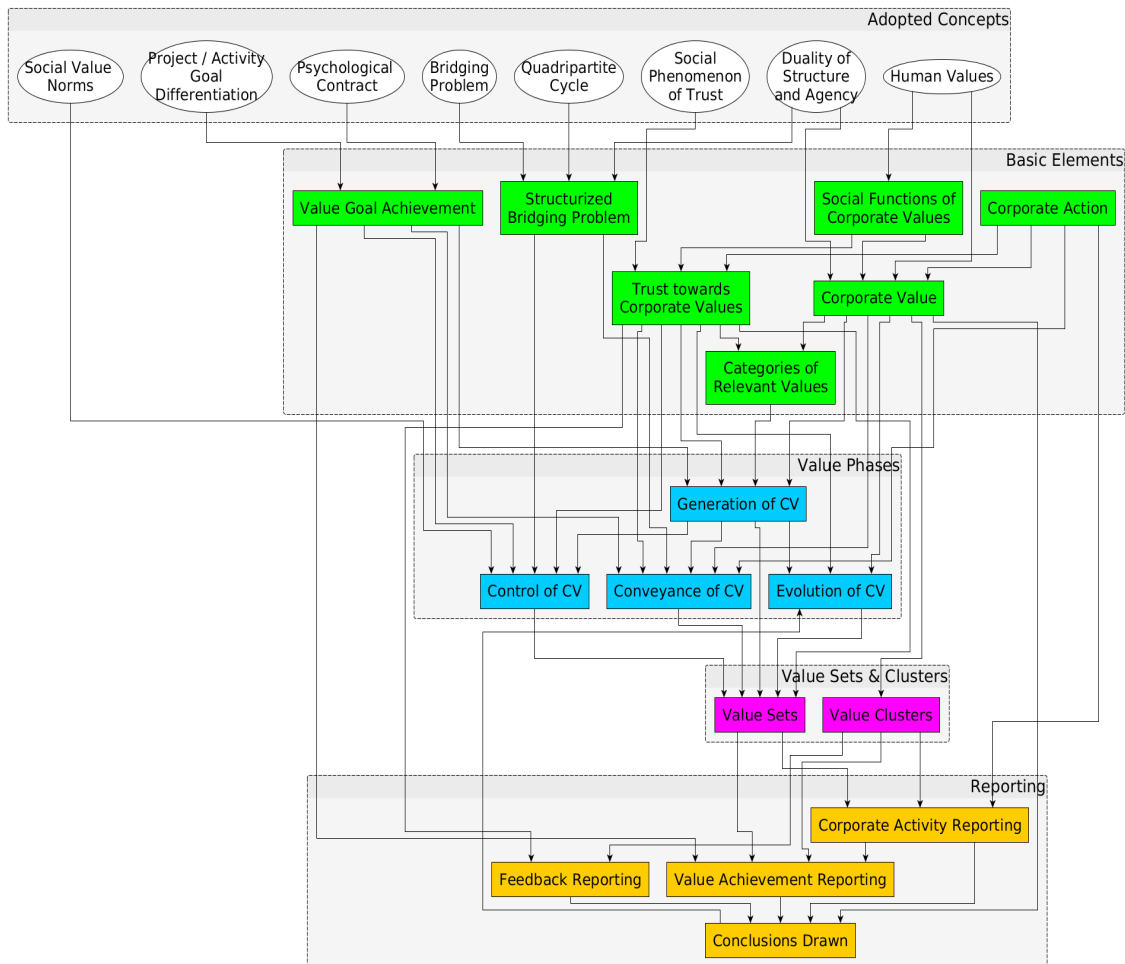


Illustration 7: Framework Overview (illustration by author)

Before browsing through the three layers of the framework characterizing corporate values (cf. illustration 7) and revealing the interlinked concepts explaining the phenomenon, the term concept is to be narrowed down to clarify its role in the framework. Based on Deleuze, Guattari, Tomlinson et al. (1994) and simplified for the context at hand, a concept is considered to have the following three properties: (1) Concepts consists of several components and are in content defined by those. (2) Concepts are connected to problems relevant to the framework. These problems are their *raison d'être*, as they contribute to their solution. (3) Concepts relate to other concepts (within and outside the framework) and stand on their shoulders.

This perspective on concepts is used in the chapter 5.1 to unscramble the inter-linkage of concepts forming the framework. In these chapters all elements listed in chapter 4 are listed with their components, their purpose inside the framework and their relations to other concepts of the framework. In addition, a graphic depiction is added for each concept based on the example of illustration 8, listing informing concepts at the bottom, components in the rectangle and informed concepts at the top.

This, however, does not mean that the entirety of this information is indispensably necessary to perform any characterization of corporate values. The following chapters will expound the function and interaction of the different elements and components of the framework, revealing their role for the informative value of a characterization of corporate values. The more of these elements and components constitute a declaration of a corporate value, the higher its declarative power and therefore its functional value for value recipients. Which gaps can be considered to be acceptable without endangering the informative value cannot be objectively determined as it lies in the eye of the beholder. Every single value recipient has its own ideas of what information is expendable in any specific case without eroding his or her trust. Not least due to this, feedback from a broad variety of value recipients is a crucial part of the framework.

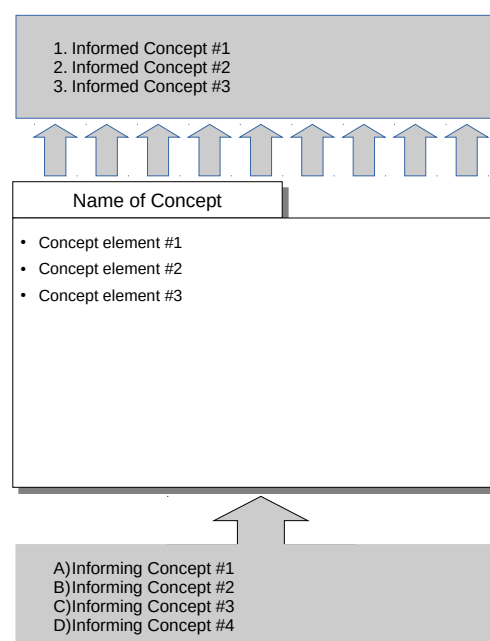


Illustration 8: Concept Illustration Example
(illustration by author)

5.1 Concepts on the Basic Layer

The lowest layer of the framework aims at providing the foundations for the concepts in the two higher layers. It addresses fundamental concepts used later on in the remaining two layers to build other concepts on. The following enumeration of concepts points out the three properties determining a concept (see chapter 5) for each concept to illustrate their background, their components and their relations to other concepts developed in this framework.

Social Functions of Corporate Values

Problems Addressed: The concept of social functions of corporate values (chapter 3.1) describes the basic principles and the role of functional corporate values based on their derivation from the concept of human values (Hechter 1993; Hutcheon 1972; Rokeach 1968, 1973).

Components: Its components consist of three aspects to be considered when designing corporate values, addressing the problem of corporate values unable to fulfill their role as equivalent to human or social values in a corporate context, due to insufficient information provided for value recipients.

Relations: The concept of social functions of corporate values informs the concept of trust towards corporate values, forming the basis for the trustability of corporate values from a value recipient's perspective and the concept of a corporate value itself, establishing a part of the conditions a corporate value has to observe to remain functional. The concept of social functions of corporate values is informed by the concept of human values as the point of origin from a value perspective.

Corporate Action

Problems Addressed: The concept of corporate action (chapter 4.1.1) describes the character of a generic action performed by a corporation and its agents.

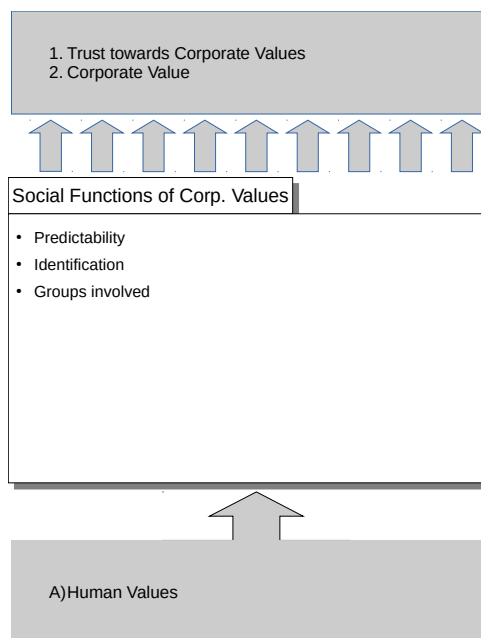


Illustration 9: Concept of Social Functions of Corporate Values (illustration by author)

Components: The components of this concept consist of the characterizing questions directed towards determining the character of a corporate action.

Relations: The concept of corporate action informs the concept of trust towards corporate values (chapter 4.1.2), the definition of the term 'corporate value' (chapter 4.1.5), the analytical questions of the conveyance phase (chapter 4.2.2), and the review of corporate activities in the reporting part (chapter 3.6.1).

Trust towards Corporate Values

Problems Addressed: The concept of trust towards corporate values (chapter 4.1.2) clarifies the relation between the two actors, the corporation (the trustee) and the value recipients (the truster). It addresses the problem of corporations heavily depending on trust for their corporate values to be taken seriously. For the functionality of corporate values this is *conditio sine qua non*. Consequently, the components characterizing a value recipient's trust are of high relevance for the discussion of corporate values.

Components: This concept's components characterize the reliance of the truster on the benevolent character of the trustee's future actions and the same time depicting the power gradient based on the inability of the value recipient to directly influence corporate action.

Relations: The concept draws on the adopted concept of trust as a social phenomenon (Bamberger 2010; Giddens 1984; Luhmann et al. 1979; Sztompka 2003), omitting all

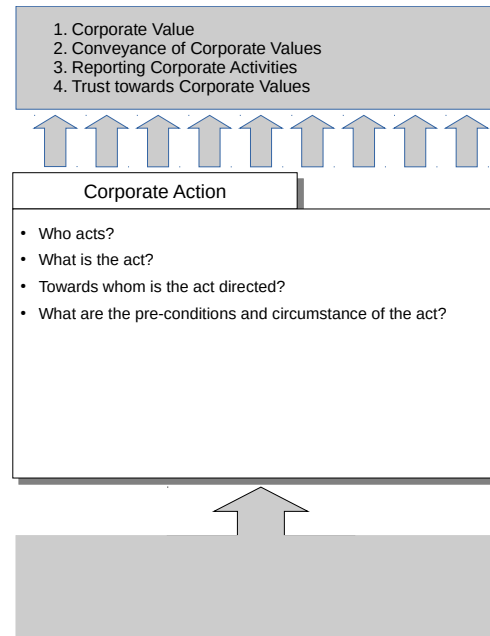


Illustration 10: Concept of Corporate Action
(illustration by author)

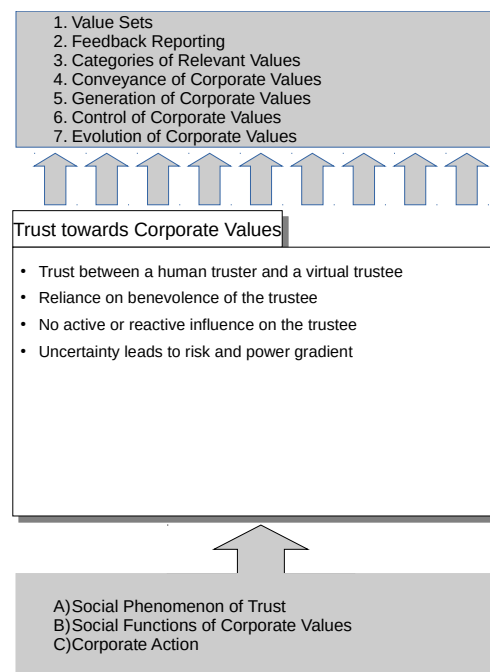


Illustration 11: Concept of Trust towards Corporate Values
(illustration by author)

non-functional components from it to reflect the characteristic of a corporate value. It embodies the social functions of corporate values (chapter 3.1) of predictability, identification and the determination of the involved groups as object of the invested trust and builds on the concept of corporate action (chapter 4.1.1). The concept of trust towards corporate values also informs all four concepts of value phases (chapters 4.2.1-4.2.4: generation, conveyance, control, evolution), aligning the analytical questions of each phase along its components. Additionally, the parts of the categories of relevant values (chapter 4.1.4) addressing the characterization of corporations as well as the outlook towards planned developments, depend on the concept of trust towards corporate values, as do the concepts of feedback reporting (chapter 3.6) and value sets (chapter 4.3) with regard to value recipients.

Value Goal Achievement

Problems addressed: The concept of value goal achievement (chapter 4.1.3) on the one hand covers the aspects of under what circumstances a value goal can be considered as achieved and by whom. On the other hand it serves as a projection of how things will be when the value goal has been completely and perfectly achieved, providing value recipients another clue what the value declarators had in mind to strive for when they generate the corporate value.

Components: The components of the concept of value goal achievement comprises two factors: (1) Success conditions for activities or projects to not necessarily align with the success of the underlying goal, as this would imply that the project setup is absolutely perfect in the sense that a successful delivery of the project inevitably leads to the achievement of the underlying goal. (2) Beneficiaries and their assessment of the success of an undertaking do not primarily base their appraisal on objective facts (i.e., preagreed quantifiable norms) but on their subjective impression of the project's success and the degree it matches with the pre-existing personal ideas of how things will be after a successful conclusion of the undertaking.

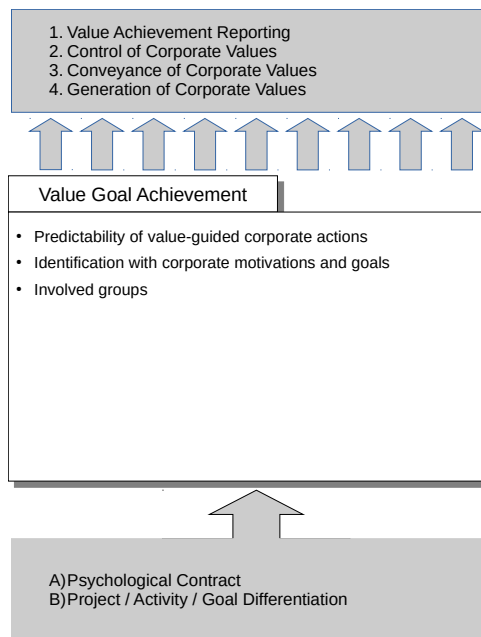


Illustration 12: Concept of Value Goal Achievement
(illustration by author)

Relations: The concept bases on the two adopted concepts of (1) differentiation of activity goals and project goals (Project Management Institute 2000) as well as (2) the psychological contract (Rousseau 1989), in order to determine the conditions of value goal achievement from an objective as well as a subjective point of view. The concept of value goal achievement consistently informs the reporting of value objective achievement (chapter 3.6.2) and the concepts of the value phases of generation (chapter 4.2.1), conveyance (chapter 4.2.2) and control (chapter 4.2.3).

Categories of Relevant Corporate Values

Problems addressed: The concept of categories of relevant corporate values (chapter 4.1.4) addresses the problem of arbitrariness in the compilation of corporate values. It consists of guidelines setting minimal topical requirements for a corporate value compilation, following the principle that every characterizing aspect among corporate actions must be motivated by something the corporation considers to be important and valuable, in other words a corporate value.

Components: The categories of relevant corporate values serve to identify missing or misshaped corporate values that have to be reworked or added to the compilation during the generation phase. Its components clarify the identity of the virtual corporate agent, the reasons behind it and as a consequence its plans for the corporate future.

Relations: The concept of relevant corporate values bases, aside from the obvious connection with the concept of a corporate value (chapter 4.1.5), on the concept of trust towards corporate values (chapter 4.1.2). Each category of relevant corporate values relies on trust towards corporate values for its functionality, since categories that cannot be trusted cannot harbor trustworthy corporate values. The concept of categories of relevant corporate values informs the concept of value generation (chapter 4.2.1).

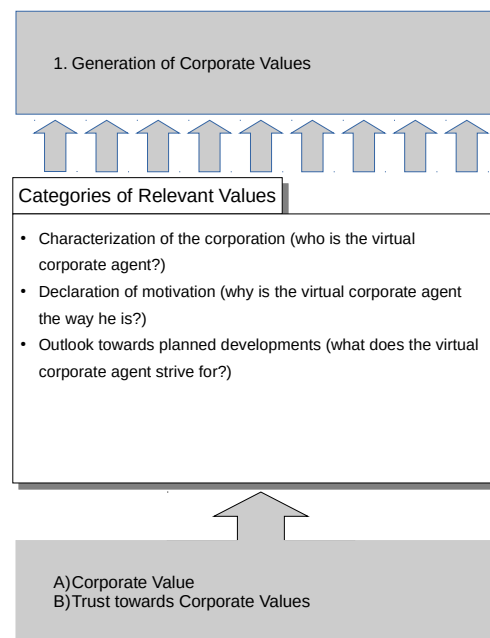


Illustration 13: Concept of Categories of Relevant Corporate Values (illustration by author)

Corporate Value

Problems addressed: The concept of a corporate value (chapter 4.1.5) defines the properties of a corporate value against the backdrop of the adopted concepts of human values (Hechter 1993; Hutcheon 1972; Rokeach 1968, 1973) adapted to the purely functional character of a corporation, the social functions of corporate values (chapter 3.1) and the duality of structure and agency (Giddens 1984).

Components: The concept comprises components substantially defining a corporate value in this framework, addressing the following four problems: (1) Due to their purely functional character values held by corporations

lose their potential to be implicit or non-result related based on an ideological quality. (2) In contrast to human values, corporate values do not have the value monopoly but have to cope with values of corporate groups and values of individuals, since the virtual corporate agent cannot implement activities himself but solely relies on action performed by individual corporate agents. (3) Corporations rely on different kinds of guidelines besides corporate values, such as manuals, procedures, internal regulation, etc., which can be confused with the function and properties of corporate values. (4) While values are per se long-term related, corporate time horizons are not necessarily on the same level.

Relations: The concept of a corporate value bases on the adopted concept of human values, the social functions of corporate values, and the duality of structure and agency. Due to its central role, the concept of corporate values echoes in several concepts of the framework: The three phases of value generation (chapter 4.2.1), conveyance (chapter 4.2.2) and evolution (chapter 4.2.4) depend on the concept of corporate values to formulate their analytical questions. The concept of conclusions drawn (chapter 3.6.4) builds on the concept of corporate values to inform its reaction patterns, the concept of relevant categories of values (chapter 4.1.4) builds on the aspect of de-

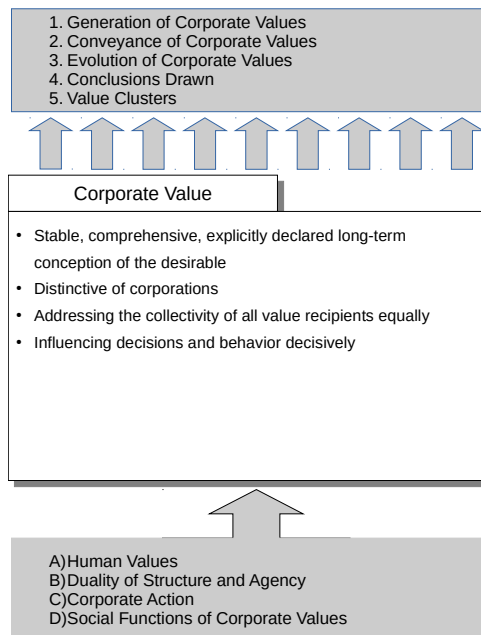


Illustration 14: Concept of a Corporate Value
(illustration by author)

sire in a corporate value and the concept of value clusters (chapter 4.3) uses the features of a corporate value to build its categories along.

Structurized Bridging Problem

Problems addressed: The concept addresses the problem of internal values in a corporate context splitting into an agent's individual values and an agent's knowledge of corporate group values and their independence from the officially declared corporate values or, in other words, the value-related disparity of agents and structure.

Components: The concept of the structurized bridging problem consists of the component of the quadripartite Y, describing the strongly differing perspectives on internal and external values.

Relations: The concept of the structurized bridging problem (chapter 4.1.6) builds on the classic bridging problem (Raz et al. 2003; Wallace et al. 2004) and the adopted concepts of duality of structure and agency (Giddens 1984), and the quadripartite cycle in the concept of strong structuration (Stones 2005), adapting these concepts to the structurized context of a corporation with its multiple types of agents and values. The concept of the structurized bridging problem itself is applied in the concepts of value conveyance (chapter 4.2.2) and control (chapter 4.2.3), when institutions conciliating differing corporate values and corporate group values, as well as stabilizing and refreshing declared corporate values become topical.

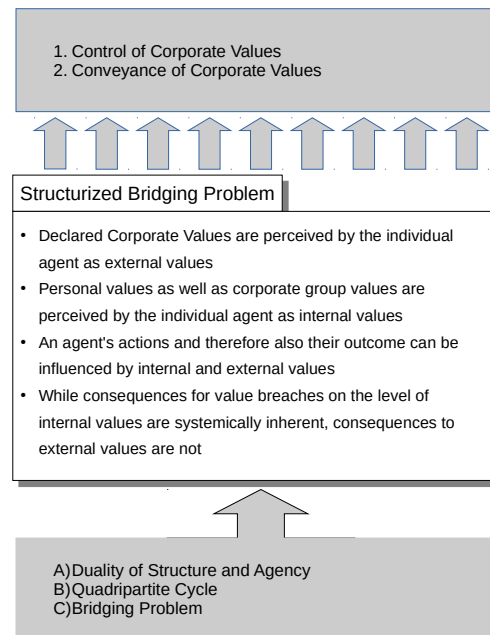


Illustration 15: Concept of the Structurized Bridging Problem (illustration by author)

5.2 Concepts on the Phases Layer

The middle layer of the framework consists of the four phases of a corporate value, covering the stages from generation of a corporate value by the value declarators, via conveyance to the value recipients to render the value functional, and the phase of value control, where questions of measurement, refreshing and presuppositions of corporate values are topical to finally the phase of value evolution, where experiences

from the preceding three phases are used to evolve a corporate value to better reflect the value-related concerns of the virtual corporate agent. The subsequent characterization of the concepts of these four phases, following the structure of a concept introduced in chapter 5, illustrates their interconnection among each other, as well as their roots in the lower level and the implications the value phases have for the top level of the framework.

Generation of Corporate Values

Problems addressed: The concept of corporate value generation (chapter 4.2.1) describes the requirements and the results of a phase, where value declarators create a new corporate value, have to meet in order to satisfy the specifications of a functional corporate value, as discussed in chapter 3.1, thereby addressing the problem of arbitrary generated corporate values.

Components: The requirements for corporate value generation emerge in the form of the four analytical questions Q1 to Q4 forming the components of the concept.

Relations: The concept of corporate value generation bases on the following four basic elements of the framework's lower layer: (1) The concept of corporate value (chapter 4.1.5) provides an understanding of what shall be generated by contributing a substantial definition of the term. (2) The concept of trust towards corporate values (chapter 4.1.2) is the basis for the functionality of the value being generated. (3) The concept of value goal achievement (chapter 4.1.3) informs the generation concept with a comprehension of well-founded value goals. (4) Finally, the categories of relevant values (chapter 4.1.4) provide a concept of the minimal scope necessary to encompass the relevant values of a corporation. As the initial of the four values phases, the concept of value generation informs all three remaining value phases (chapters 4.2.2-4.2.4: conveyance, control, evolution) and the assembly of value sets (chapter 4.3) by determining the value's basic nature and orientation.

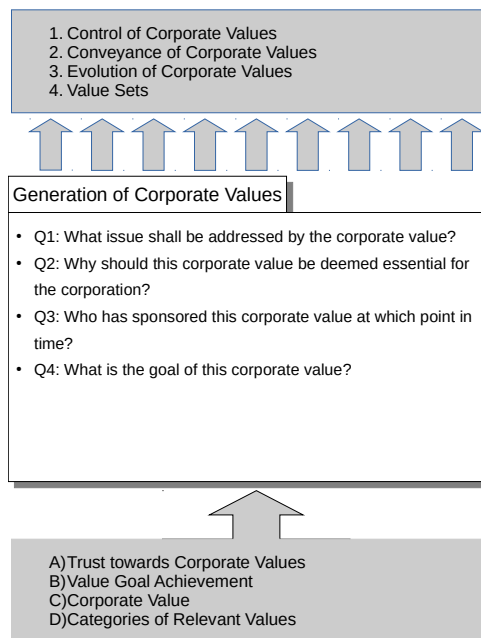


Illustration 16: Concept of Generation of Corporate Values (illustration by author)

Conveyance of Corporate Values

Problems addressed: The concept of corporate value conveyance (chapter 4.2.2) addresses the problems of (1) conveying a corporate value's content and the related responsibilities to value recipients, (2) breaking down the motivation and activities connected with a corporate value, and (3) communicating its adaptability and anticipated value conflicts.

Components: As all four concepts of value phases, the concept of corporate value conveyance bases on analytical questions (in this case Q5-Q10) defining the scope of topics that has to be covered during that phase to keep a corporate value functional according to the requirements discussed in chapter 3.1.

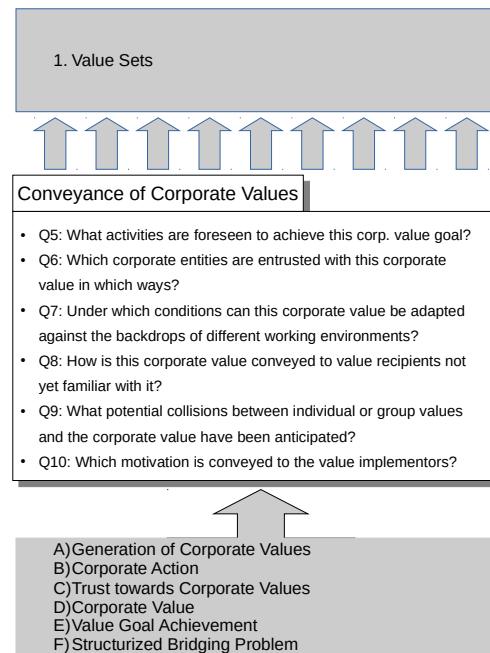


Illustration 17: Concept of Conveyance of Corporate Values (illustration by author)

Relations: Apart from basing on the concept of corporate value generation (chapter 4.2.1), the concept of corporate value conveyance is informed by the following five concepts of the basic element layer: (1) The concept of corporate action (chapter 4.1.1) provides a basis to discuss possible activities to achieve the value goal, (2) the concept of value goal achievement (chapter 4.1.3) informs this very goal the value strives to achieve, (3) the concept of the structurized bridging problem (chapter 4.1.6) forms the foundation for handling conflicting corporate values and corporate group values, (4) the concept of trust towards corporate (chapter 4.1.2) values underpins the conveying of motivation and responsibilities to the value recipients, and (5) the concept of corporate values (chapter 4.1.5) backs the expression of the value in activities of the corporation and the individual agent, as well as the yielding of positive effects within a pre-specified form and time. Furthermore, the concept of value conveyance informs the concept of value sets (chapter 4.3), providing the foundation for conveying the different variants of corporate value interplay.

Control of Corporate Values

Problems addressed: The concept of corporate value control (chapter 4.2.3) focuses on the one hand on the problem of inter-personally assessing the corporate value's meaning and background, as well as its value achievement and on the other hand ensuring the stabilization and refreshment of corporate values.

Components: Following the same composition as the other phases of a corporate value, the concept of control comprises analytical questions (Q11-Q15) indicating the topics that have to be addressed to keep a corporate value functional in this framework.

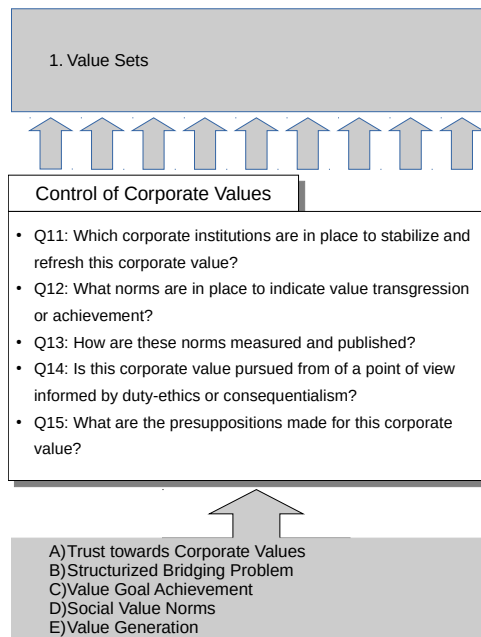


Illustration 18: Concept of Control of Corporate Values (illustration by author)

Relations: The concept bases on the concept of corporate value generation (chapter 4.2.1), as all three recurring value phases, the adopted concept of social norms (Baurmann et al. 2010) and three concepts of the basic element layer: (1) The concept of value goal achievement (chapter 4.1.3) providing an understanding of goals, (2) the concept of trust towards corporate values (chapter 4.1.2) forming the foundation of predictable value norms, and (3) the structurized bridging problem (chapter 4.1.6) illustrating the role of value presuppositions and the necessity of value refreshers and a profound understanding of a corporate value background.

Evolution of Corporate Values

Problems addressed: The concept of corporate value evolution addresses the problem of uncontrolled and undocumented value evolution carrying the danger of on the one hand betraying the trust placed in the corporate value by value recipients and on the other hand leaving the corporate value in an undocumented and therefore uncontrolled state, risking undetected value interplay, mismatched value goals and value activities, unclear presuppositions in the value formulation, etc.

Components: The concept of corporate value evolution (chapter 4.2.4) consists of analytical questions (Q16-Q20) addressing the minimal topics to be reviewed when the need for an evolution of a corporate value is encountered.

Relations: As the phases of corporate value conveyance and control, the concept of corporate value evolution bases on the concept of corporate value generation (chapter 4.2.1). In addition, the following concepts provide further basis: (1) The concept of trust towards corporate values (chapter 4.1.2) informs the concepts regarding the role of predictability, identification and affected groups after a value evolution, (2) the concept of conclusions drawn (chapter 3.6.4) brings in the approach to depict feedback and lessons learned, and (3) the concept of corporate values (chapter 4.1.5) provides the basis for a characterization of the changes taking place in this value evolution in a way compatible to the framework.

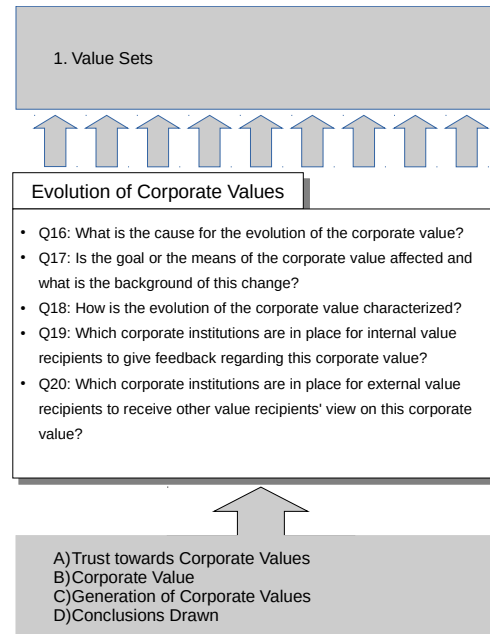


Illustration 19: Concept of Evolution of Corporate Values (illustration by author)

5.3 Concepts on the Clusters and Sets Layer

The highest level in the framework focuses on the interplay between and organization of different corporate values. The value clusters provide an approach to flexibly group values by any criteria(s) whatsoever, with the goal to structure the declared corporate values in a way depicting the value declarators' understanding of their corporation's values. Although the classification is arbitrary and does not express any value interplay, it still can be an indication for value recipients, how certain corporate values are understood. Value sets, on the other hand, express the interplay between corporate values distinguishing impairing, amplifying, and balancing interplays. This classification is not arbitrary and expresses the awareness of the value declarators with regard to value conflicts and mutual intensification among values. Consequently, in contrast to value clusters, value sets can be questioned using logical or epistemological arguments.

Concepts of Value Clusters

Problems addressed: The concept of value clusters (chapter 4.3) addresses the problem of diversity and scale of corporate value compilations, using hierarchical classification of corporate values to achieve an overview and understanding of the conceptual proximity of different corporate values in the eyes of the value declarators.

Components: The concept of value clusters consist of the criteria for a hierarchical, freely selectable classification or corporate values. The criteria can be grouped by any feature and/or spanned over several classification levels.

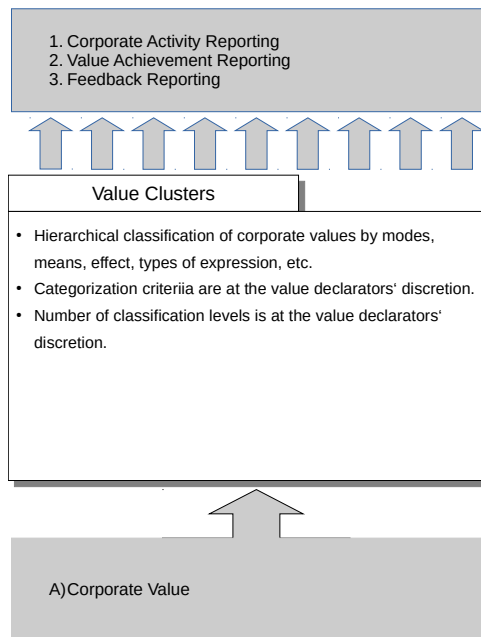


Illustration 20: Concept of Corporate Value Clusters (illustration by author)

Relations: The concept of value clusters bases on the concept of corporate values (chapter 4.1.5) to structure such groups of values by modes, means, effects, types of expression, etc. Depicting the value declarators' understanding of their corporation's values, the concept of value clusters informs three concepts of the reporting perspective by providing a structure template and thereby facilitating orientation for value recipients and enhance transparency: (1) The concept of corporate activity reporting (chapter 3.6.1), (2) the concept of value achievement reporting (chapter 3.6.2), and (3) the concept of feedback reporting (chapter 3.6.3).

Concept of Value Sets

Problems addressed: The concept of value sets (chapter 4.3) addresses the problem of interacting corporate values making it impossible to examine or report them separately.

Components: The three kinds of value interplay reflected in this framework make up the components of this concept.

Relations: The concept of value sets is informing (1) the concept of value achievement reporting (chapter 3.6.2) and (2) the concept of corporate activities reporting (chapter 3.6.1). The concept of value sets, in turn, bases on the concept of trust towards corporate values (chapter 4.1.2) with its call for predictability and identification also prevents an isolated approach towards corporate values of the same corporation, as significant statements about a corporate value concerning both predictability and

identification can only be made in consideration of other corporate values conflicting with or reinforcing the original value. Additionally, the concept of value sets bases on all four concept of the middle layer (chapters 4.2.1-4.2.4: generation, conveyance, control, and evolution). Every of the phases of a corporate value characterizes a corporate value and therefore determines, whether they are interacting with other values of the corporation or not.

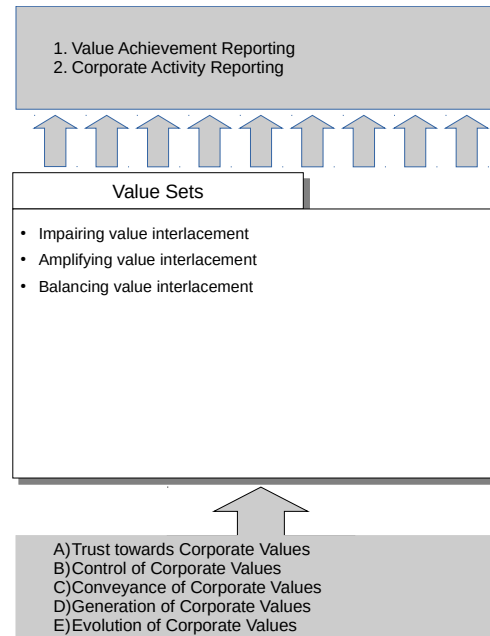


Illustration 21: Concept of Value Sets (illustration by author)

5.4 Concepts of the Reporting Perspective

While technically not part of the framework characterizing corporate values, the reporting perspective nevertheless plays a crucial role for the functionality of corporate values, as they depend on being communicated and perceived. Without this element of communication corporate values would virtually cease to exist and would lose their influence on corporate behavior as well as on public perception of the corporation. Contrariwise, reporting is not only about communicating but also about determining how this communication is perceived and appraised by collecting value recipient feedback, as well as obtaining an overview of corporate value activities and achievements in order to draw the right conclusions in an ongoing corporate learning process.

Concept of Corporate Activity Reporting

Problems addressed: The concept of corporate activity reporting (chapter 3.6.1) broaches the issue of comprehensively reporting the value-related corporate activities. The concept comprises an analysis of the norm achievement, the role of value interplay and the influence of unintended consequences with regard to the reporting of corporate activity.

Components: The components of the concept of corporate activity reporting consist of two aspects. On the one hand, it addresses the aspect of activity characterization making statements regarding their components, their relation to the underlying corporate values, and their interplay. On the other hand, it comprises the aspect of consequences, covering intended, but especially unintended consequences of corporate activities, as this kind of consequences is of more evasive character by its nature but in no way less important.

Relations: As knowledge concerning corporate activities is pivotal for the evaluation of the goals achieved and the lessons learnt, the concept of corporate activity reporting informs (1) the concept of value achievement reporting (chapter 3.6.2), as well as the concept of (2) conclusions drawn (chapter 3.6.4). The concept is also based on (1) the concept of corporate action (chapter 4.1.1) describing the corporate action indispensable to any report concerning corporate activities. (2) The concept of value clusters (chapter 4.3) provides a structure in which corporate activities can be reported in accordance with the classification of the declared corporate values. (3) The concept of value sets (chapter 4.3) discloses conflicting and reinforcing values, an aspect crucial to any serious attempt of substantially reporting activities motivated by these values.

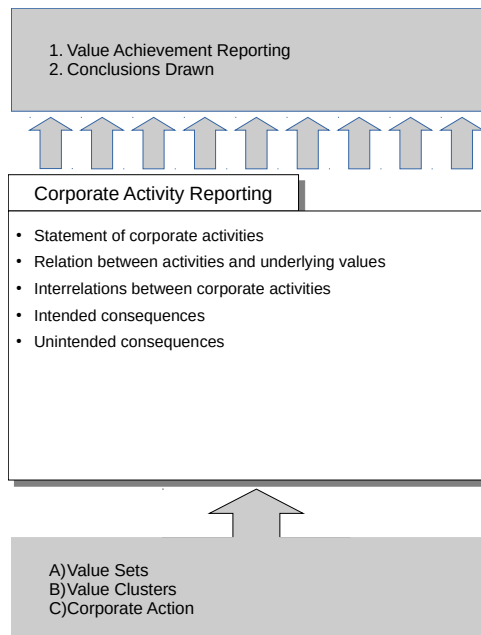


Illustration 22: Concept of Corporate Activity Reporting (illustration by author)

Concept of Value Achievement Reporting

Problems addressed: The concept of value achievement (chapter 3.6.2) reporting covers the issue of reporting the achievement level of value norms and goals in a structured and transparent way.

Components: The concept of value achievement reporting primarily consists of the three levels of value achievement comprehension: the norm achievement measured against a pre-defined norm, the goal achievement matched against the goal of the value being reported, and the issue achievement, discussing the relation towards the overlaying value issue. The reporting of value achievement includes all consequences of corporate action, intended and unintended ones.

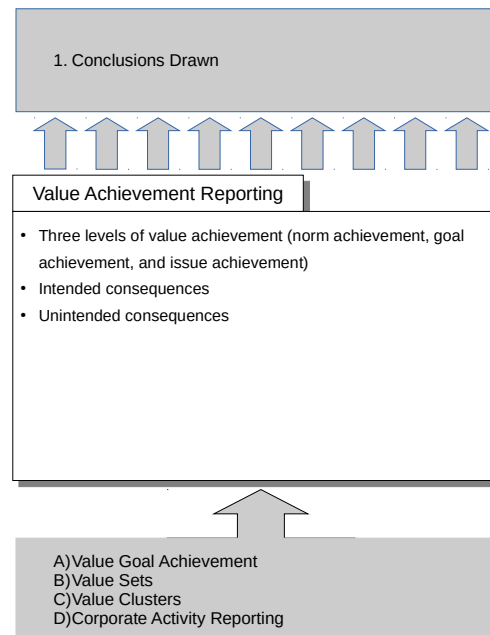


Illustration 23: Concept of Value Achievement Reporting (illustration by author)

Relations: It consequently bases on the outputs of the following concepts: (1) The concept of value goal achievement (chapter 4.1.3) structures the notion of value goals and the conditions of their achievement, (2) the concept of value clusters (chapter 4.3) contributes a classification of values the value recipient is familiar with, (3) the concept of value sets (chapter 4.3) integrates the aspect of conflicting and reinforcing corporate values into the value achievement reporting preventing an isolated point of view, and (4) the concept of corporate activity reporting (chapter 3.6.1) provides a structured view on the corporate activities of the reporting period. The only concept informed by the concept of value achievement reporting is the concept of conclusions drawn (chapter 3.6.4), feeding on the finding of the value achievement report.

Concept of Feedback Reporting

Problems addressed: The concept of feedback reporting provides a structure for reporting the feedback given by value recipients, addressing the issue of arbitrary or missing soliciting or reporting of value recipient feedback.

Components: The forming component of the concept of feedback reporting are the answers to question Q19 (internal feedback) and question Q20 (external feedback), representing the total volume of feedback. The segmentation of feedback is basically freely selectable, however some kind of distinction between feedback groups is key element of this concept, as it reflects the world view of the value declarators. Finally, the alignment of feedback reports to all consequences, not merely the planned ones, makes sure, the virtual corporate agent and the value recipients share a reality.

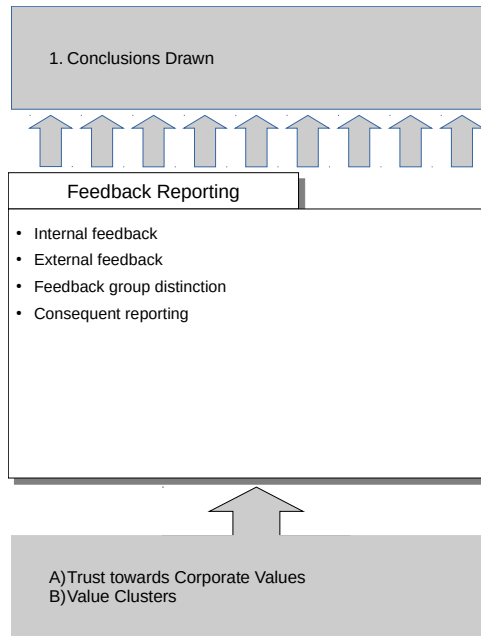


Illustration 24: Concept of Feedback Reporting
(illustration by author)

Relations: It bases on the concept of value clusters (chapter 4.3) mirroring its classification of corporate value and on the concept of trust towards corporate values (chapter 4.1.2) for motivation founding on the need to assess how its three components of predictability, identification and affected groups are perceived among value recipients. The concept of feedback reporting is informing the concept of conclusions drawn (chapter 3.6.4) constituting a third of its basis within the reporting perspective.

Concept of Conclusions Drawn

Problems addressed: The concept of conclusions drawn (chapter 3.6.4) focuses on revealing decisions in the realm of corporate values based on experiences made and analyzing their background. It thereby addresses the problem of resolutions made within a corporation affecting corporate values without transparently disclosing their background and history thereby violating value recipients' trust.

Components: The concept of conclusions drawn consists of the past corporate activities, the situation(s) observed, an assessment of the intended and unintended effects and finally the conclusions drawn from all this information.

Relations: The concept of conclusions drawn bases on the concept of corporate values (chapter 4.1.5) to harmonize the new resolutions with the definition of corporate values in this framework and the remaining three concepts of the reporting perspective, as all of them serve as potential sources of information input leading to new resolutions: the concepts of (1) Corporate Activity Reporting (chapter 3.6.1), (2) Value Achievement Reporting (chapter 3.6.2), and (3) Feedback Reporting (chapter 3.6.3). In turn, the concept of conclusions drawn informs the concept of corporate value evolution (chapter 4.2.4), forming the basis for providing the impulse for value evolution.

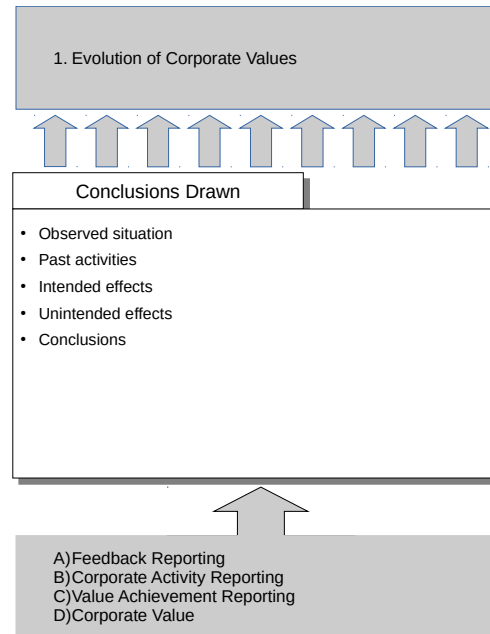


Illustration 25: Concept of Conclusions Drawn
(illustration by author)

5.5 Meeting the Criteria

The framework discussed in this chapter has been set up with the expectations listed in chapter 3.1 in mind. In order to analyze corporate values with regard to their functionality: their ability to be communicated, to be noticed, and to exert influence on value recipients' actions. The following three sub-chapters take a look back at the three main criteria for the functionality of a corporate value and examine how they are considered in the framework and in which concepts on with layers of the model their functionality has been anchored.

5.5.1 Predictability

Predictability based on a corporate value or the question 'How do I know the corporation is going to do and will keep doing what it is declaring?' expresses the perceived probability of future actions to match the value recipient's expectation, which in turn is based on announcements made in the declaration of the corporate value. The assess-

ment of this probability by the value recipient depends on two factors: (1) on the volume and comprehensibility of the announcements made in the declaration of the corporate value increasing the probability of the value recipient understanding the message the value declarators are sending, and (2) on the perceived ability of the value recipient to foresee future corporate activities. This ability to exclude or include future corporate behavior in turn bases on both (1) the foretelling announcements made by value declarators and (2) the coherence of future corporate activities with today's accounts concerning the corporation's identity. The latter, coherence-based form of predictability is seen as part of identification (chapter 5.5.2), as it bases on a successful identification of the virtual corporate agent's goals and motivations, leaving the completeness, elaborateness and bindingness of announcements in a declaration of a corporate value as the sole indicators of predictability in this framework.

The basic elements layer is a source of predictability, inasmuch as it lays the foundations for the middle layer to operate with. Re-emerging as informing elements of concepts in the middle and upper layer of the framework, as well as in the perspective of reporting, the concepts of the lowest layer comprise a differing density of predictive components. While the concept of corporate action (chapter 4.1.1) and the definition of the corporate value term (chapter 4.1.5) entirely consist of components aiming at accountability and predictability, concepts like the categories of relevant values (chapter 4.1.4) or the structurized bridging problem (chapter 4.1.6) entirely lack components enforcing predictability. The concepts of value goal achievement (chapter 4.1.3) with the components of beneficiaries and advocates allowing verifiability predictions and some components aimed at providing identification marks the middle ground between the two extremes.

On the middle layer, while all parts are informed by concepts of the first layer administering predictability, the phases of generation (chapter 4.2.1) and evolution (chapter 4.2.4) are, by their nature describing the ideological background of a new or newly transformed corporate value, mainly addressing identification. Only the aspect of determining the character of a corporate value's evolution has some predictive quality. It is the phases of conveyance (chapter 4.2.2) and control (chapter 4.2.3), bringing up the majority of verifiable predictions in the middle layer, when addressing the planned activities, the manner of value conveyance, the conditions for environment-specific value adaptation, the institutions stabilizing and refreshing the corporate value, the norms put

in place, the measurement of these norms, and the presuppositions included in a value declaration.

The highest layer of the framework, merely consisting of value clusters and value sets (chapter 4.3), provides little space for predictive statements. Since value clusters are arbitrarily assembled, the only prediction involved is the intention of keeping them stable over several reporting periods. The statements concerning value sets, however, do all inevitably have predictive character, as they state a verifiable intention of the virtual corporate agent how to handle value conflicts in the future.

5.5.2 Identification

Corporate value aspects leading to identification, thereby giving an answer to the question 'How do I know for which reasons and with which goals the corporation is doing what it is declaring?', support a value recipient's ability to correctly correlate different information regarding the background of corporate decisions and activities and deduce future decisions or activities on this basis. In contrast to predictability (chapter 5.5.1), identification does not try to verify whether announcement made in the past have been kept but rather to create a mental image of the virtual corporate agent's character. Assuming that future activities and decisions will be coherent with past behavior, as it can be assumed on the basis of stable, long-term corporate values (see chapter 4.1.5), decisions never made and activities never performed before can be foretold to a certain degree. The more coherent information is available the denser the network of knowledge about the virtual corporate agent's nature can become and the preciser, to a certain upper limit, behavior in unknown situations can be predicted. Key to such predictions is coherent information concerning the 'whys' (motivation) and the 'to-what-ends' (goal) of past decisions and activities of the virtual corporate agent.

The main concept with regard to identification on the layer of basic elements are the categories of relevant values (chapter 4.1.4). The demand to declare corporate values in all relevant categories, therewith covering the topics of motivation in the past and in the present, as well as goals of the present and the future, is the focal point of the lowest layer of the framework when it comes to identification. Portraying the positive effects in the definition of the corporate value term (chapter 4.1.5) or describing the situation after total value achievement in the concept of value goal achievement (chapter 4.1.3) are further possibilities to offer an opportunity to support identification with both motivational background and goals set.

On the middle layer of the framework the phases of generation (chapter 4.2.1) and evolution (chapter 4.2.4) are the core for the aspect of identification, as the phases of conveyance and control primarily focus on the aspect of predictability. The statement concerning the all-overriding value issue, the formulation of the value goal and the question of why this value goal should be deemed important for the corporation are the main anchors of identification for a value recipients, as they provide crucial information concerning the main orientation of the corporate value. Thus, it comes as no surprise, that the phase of evolution, as the phase where this main orientation could be altered, brings up questions concerning the motivational background (cause) of the value evolution and whether value goals are affected. The identification oriented parts in the phases of conveyance (chapter 4.2.2) and control (chapter 4.2.3) broaching the issues of the conveyed motivational background and whether the corporate value should be viewed from a perspective of duty-ethics or consequentialism complete the aspect of identification on the middle layer of the framework.

The sets & clusters layer of the framework does harbor identifying parts in both concepts of value clusters and value sets (chapter 4.3). The decision how to build their value clusters does not necessarily have to be commented by the value declarators but if it is, their motivations are certainly of the essence. Even if the value declarators chose not to disclose what made them cluster their corporate values in the way they did, value recipients might start to draw their own conclusions. Certainly they will discover whether they would have done it the same way and experience a moment of identification or non-identification. Value sets, not only containing a certain perspective on value interplay and the explanations of the reasons behinds that perspective, but also a portrayal of the virtual corporate agent's reaction to the value interplay including a justification why this reaction is the one most compatible with the virtual corporate agent's motivations, goals and values, are a rich source of for the extraction of goals and motivations. While the fact(s) what values are perceived to be in interaction and what interplay is chosen to be ignored does not necessarily contain explicit details about motivations, they always depict the virtual corporate agent's perception of the world, a driving motivation for any kind of decisions and activities. Equally, information concerning the decisions of the value declarators, which interplay to chose, do not have to contain any explicit goals supported by this decision. The prioritization of certain corporate values over others does, however, always indicate the goal to prefer one corporate value at the expense of another, a key characteristic of identity and identification.

5.5.3 Groups Involved

Information, in connection with corporate values, concerning groups involved is used to address the question 'How do I know to who is affected in which way by the enforcement of the declared corporate values throughout the corporation's sphere of influence?' and enables the value recipient to identify the roles and responsibilities of all players involved in the generation, conveyance and evolution of a corporate value. Consequently, the parts supporting the aspect of groups involved are confined to the middle layer of the framework. In the phase of value generation (chapter 4.2.1) information regarding the sponsors of a corporate value provide background information concerning factors as for example cultural background of the corporate value or its embedding in temporary fashions. Thanks to questions regarding groups or individuals holding values possibly conflicting with the declared corporate value and all corporate entities (groups or individuals) entrusted with a role (value implementor, value beneficiary, tracker of value norms, feedback administrator, etc.) in connection with the corporate value, the phase of value conveyance (chapter 4.2.2) is as rich in providing information concerning the groups involved as the phase of value evolution (chapter 4.2.4). In the latter phase, the corporate institutions for external and internal value recipients to provide feedback ensure a transparent allocation of different roles and responsibilities.

6 Applying the Framework: A Case

This chapter's main function is to validate the hypothesized increase of information-density and therefore functionality added by applying the corporate value framework developed in this dissertation. This function is fulfilled by achieving two goals.

Firstly, its goal is to provide context for the terms sustainability, corporate sustainability, and corporate values on the lower layer clarifying terms. Chapters 6.1 and 6.2 discuss the character of corporate sustainability and the close relationship between corporate values and sustainability in a corporate context, as well as conceptual challenges arising from the transposition of the term sustainability from a policy level to a corporate level. Popular illustrations are used to depict different aspects of sustainability. While they are no filigrane representation of the term's complexity, those depictions are widespread, well-received and reflect enough of sustainability's complexity to make the argument. The discussion of sustainability at this point allows for a better understanding of the nature of sustainability and consequently the challenges describing values oriented towards it.

Secondly, the chapter serves to validate the framework developed in chapter 5 by demonstrating the added value of its application. In this second part (starting with chapter 6.3), first an exemplary corporation is introduced and its publicly stated values are analyzed step by step using content analysis and hermeneutic interpretation, resulting in a data set of the implicit and explicit corporate values. The sample size for this reconstruction is limited to one corporation for two reasons: (1) The aim of the reconstruction is to validate the structural and functional integrity of the framework. Applying the framework to the same kind of corporate values proclaimed by different corporations can hardly be expected to result in any additional validity. It is rather the broad choice of structurally and functionally diverse corporate values that leads to a higher degree of validity. (2) Real-life corporations stating corporate values in such detail and broadness are rather hard to be found, as such detailed values mostly presuppose an ideological background of the value declarators far broader than the corporate average.

In a third step, the value of sustainability is reconstructed using the developed framework against the backdrop of the collected dataset (chapter 6.4) and applying Leeuw's Policy-Scientific Approach (Leeuw 2003) with some adaptations (discussed in chapter 6.4) to the domain of corporate values. The goal of such a reconstruction is, based on chapter 3.1, an increase in informative value and a decrease in wiggle room

for personal interpretations in order to validate the approach. From a conceptual perspective, the answers to the twenty questions throughout the four sub-chapters provide the information to characterize the middle layer of a corporation's values.

Finally, in a fourth step, the upper layer is addressed and the interplay of the reconstructed corporate value of sustainability with other corporate values is analyzed (chapter 6.5) in order to cover all layers of corporate values identified in chapter 4. Before, however, discussing such an application of the framework to an example of a corporation focused on the value of sustainability, the concept of sustainability used in this dissertation is briefly introduced with a particular focus on the corporate context.

6.1 From Sustainability to Corporate Sustainability

Since there is no unified concept of sustainability or sustainable development (Bañon Gomis et al. 2011; Blewitt 2008; Hopwood, Mellor, and O'Brien 2005; Kiss 2011; Marshall and Toffel 2005), the goal of the following part (chapter 6.2) is to classify the understanding of corporate sustainability used in this dissertation in the broad field of different concepts of sustainability, rather than discussing the term of sustainability per se in all its facets. As formulated by Kiss, the term of sustainability has been "inflated, overused, misused, and abused" (Kiss 2011:7) since it has reached wide public attention approximately three decades ago. Due to the diversity of often contradictory understandings of sustainability, the term is shortly discussed in this chapter to fixate how sustainability is understood in this dissertation against the backdrop of a corporate context.

The concept of sustainability is in most cases based on the framing of the term made public by Gro Harlem Brundtland in her function as chairwoman of the World Commission on Environment and Development (1987:IV.1): "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." The obvious issue emerging from this perspective being the unclear character of needs, be it in the future or the present moment (Kiss 2011:8; Stagl and O'Hara 2001). The less obvious problem emerging when transposing this understanding of sustainability into a corporate context roots in the determination of the needs' tenants. In a human context, 'future generations' as well as 'needs of the present' are clearly discussing human agents, as sustainability, as proclaimed by Brundtland, is an explicitly human-centered approach aiming to sustain humanity over time (World Commission on Environment and Development 1987:Foreword). In a cor-

porate context, however, when transposing 'sustainability' to 'corporate sustainability' and thereby shifting the human-centered approach towards an institution-centered one, the 'needs of the present' are moved away from human needs to the needs of a virtual corporate agent, while 'future generations' still seems to address human agents. A transposition merely transposing half the statement, however, must be considered to be incoherent and hence presumably flawed. The reasons why notwithstanding this initial situation such an inconsistent transposition has its appeal are twofold:

(1) The term 'future generations' implies large groups of human beings and not corporations, due to the word 'generations' designating a group of individuals either living roughly at the same time or being of the same approximate age. This impression is backed by the connotation of the term 'sustainable', which is used as "a synonym for everything that is positive" (Kiss 2011:7) and therefore cannot focus on the well-being of corporations alone. Furthermore, the first of the two often ignored supporting concepts propagated by the so-called Brundtland report determines 'needs' to be "in particular the essential needs of the world's poor, to which overriding priority should be given" (World Commission on Environment and Development 1987:IV.1). The fact that it is safe to assume that 'the world's poor' does not designate corporations with a low revenue but rather underprivileged human beings, reinforces the rather intuitive notion that the tenants of future needs remain human and are not transposed to a corporate context.

(2) Relating 'development that meets the needs of the present' to humans in a corporate context, as discussed above, bestows upon the corporation an aura of altruistic benefaction ultimately striving to serve the current needs of humanity and especially of the world's poor. Clearly, this is not a picture many people associate with corporations in a capitalistic system, where taking care of the needs of the poor is rather seen as a responsibility of the state, the church or the individual than of a responsible corporation (Kiss 2011:15). Discarding this vision of altruistic corporations serving the needs of the world's poor, however, leaves self-centered corporations solely focusing on the isolated needs of the corporation and defining such behavior as highly sustainable. While this mirrors Friedman's (1970) position and the Dow Jones Sustainability Index's definition of corporate sustainability as "business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environment and social developments" (Dow Jones Sustainability Indices 2014), it does hardly

express the expectation towards the basic idea of sustainable behavior as being of common value (Marshall and Toffel 2005).

Sustainability, when fully transposed to the corporate context, results in an exclusive economic dimension aiming at the goal of sustaining the corporation itself, while ecological and social dimensions are seen as beyond the corporate needs and are hence passed on to the ecological and social environment surrounding the corporation. When only half-transposed to the corporate context, Brundtland's definition of sustainability effectively results in a situation where corporations are normatively expected to continue taking care after their single bottom line, while also discovering their equal passion for two additional, rivaling goals: the well-being of humanity and earth's biosphere. While certain corporations, due to their value declarators, already think from a tripple rather than from a single bottom line perspective, the majority is still stuck in a '1+2 Bottom Line Perspective'. Notwithstanding the fact that there does not seem to be a broadly accepted definition of the Triple Bottom Line approach (Norman and MacDonald 2004:245), the concept to add ethical behavior on-top of what Friedman (1970) considers to be the only inherent responsibility of a corporation is intriguingly similar, both resulting in "Good old-fashioned Single Bottom Line plus Vague Commitments to Social and Environmental Concerns" (Norman and MacDonald 2004:256). Realizing this, sustainability is in this dissertation understood as a matter of ethics, in terms of a matter of the good (Christen 2010), following "the idea that the future should be a better, healthier place than the present" (Blewitt 2008:ix). What it is one considers to be a better place, is up to what one considers to be valuable (Christen 2010). This perspective is also supported by Kates et al.'s (2005:16) view on the United Nations Millennium Declaration (UN General Assembly 2000) that lists six basic values as the foundation for indicators and goals for peace, development, environment, human rights, and poverty alleviation; indicators used to depict sustainability (Kates et al. 2005:13). While the listed values (freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility) do certainly express possible characteristics of sustainability, they certainly are not the only thinkable values representing the complex and heterogeneous idea of sustainability.

6.2 Corporate Sustainability as Value-Based Concept

Framing corporate sustainability as a value-based concept on the basis of the discussion of sustainability in the preceding chapter could on the one hand be interpreted as carte blanche to call sustainable whatever feels sustainable from the perspective of

value declarators (Steinmeier 2015). On the other hand, one could adopt the perspective, that corporate sustainability as a concept calls for either a collection of certain values, such as for example in the United Nations Millennium Declaration (UN General Assembly 2000), the Earth Charter (Earth Charter International Secretariat 2000), or the Sustainability Development Goals (UN General Assembly 2012), or a certain nature of values that can serve as its basis due to the value-properties of sustainability itself. Christen brings forwards this argument in the general context of sustainability and comes to the conclusion that the "general concept of sustainability, thus, requires values that (a) are related to our material and natural conditions, (b) have universal validity, and (c) count necessarily" (2008:19). In the understanding of corporate sustainability used in this dissertation, this perspective is only partly applicable. The notion that corporate values are expected to relate to our material and natural conditions is highly relevant from the perspective of value recipients. Should they be unable to relate to the corporate value on the basis of their own natural conditions, an identification with the declared value, possibly with the entire declaring corporation, would be hindered if not prevented.

Additionally, as laid out in the chapter below, values constituting a corporation's understanding of sustainability have to cover all three dimensions in order to be functional. The view that corporate values have to be universally valid and relevant, however, in order to be accepted as values of corporate sustainability is inapplicable in a corporate context, as even seemingly unquestionable corporate values, e.g. not fueling a system risk or even self-preservation, cannot be presumed per se. In addition, the group of value recipients is in most cases heterogeneous. Thus, cutting down the options of selectable corporate values to the small area where validity and relevance overlaps from every single value recipients' perspectives, amounts to a tremendous reduction of value options. Such a harsh reduction could even render corporate values dysfunctional as it would create a tiny pool of acceptable, aggregative corporate values for all corporations, jeopardizing the criteria of corporate values to describe the distinctive aspects of the declaring corporation in its own environment.

The understanding of corporate sustainability used in this dissertation is, nonetheless, not without restrictions. It is on the one hand oriented towards the three pillars of environment, society and economy as for example prominently outlined by Adams (2006) and depicted in several ways²² (Illustration 26: Adams (2006:2), illustration 27:

22 These different but not uncommon visual approaches to depicting the three dimensions of sustainability are mentioned to show their heterogeneity. It is not goal of this dissertation to discuss or compare the properties of these or other visualization approaches.

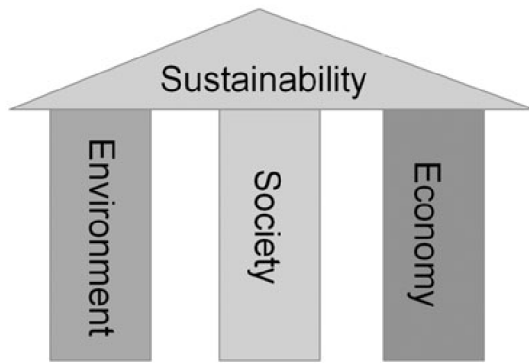


Illustration 26: Three Pillars of Sustainability (Adams 2006:2)

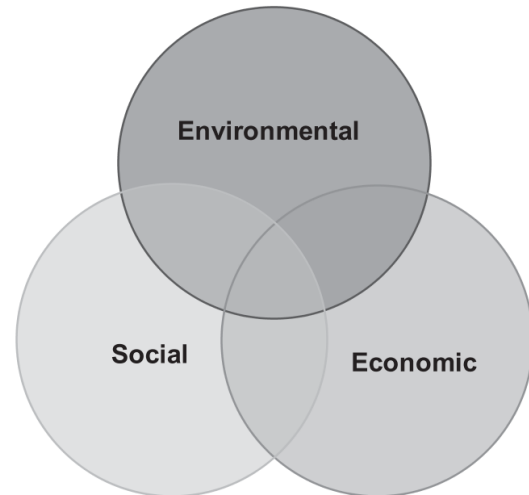


Illustration 27: Three Circles of Sustainability (Bañon Gomis et al. 2011:177)

Bañon Gomis et al. (2011:177), and illustration 28: Kleine and von Hauff (2009:523)²³).

On the other hand, it avoids the passionate discussions whether one of these pillars should have primacy over the other dimensions or not (Adams 2006; Houghton and Hunter 1994; Málovics, Csigéné, and Kraus 2008; Muraca and Voget-Kleschin 2011; Neumayer 2003; Ott 2003), on the following grounds: I consider the perspective of a corporation on sustainability as a restitutive, balancing one, in contrary to the political or rather societal perspective on sustainability, prospectively planning steps of a society or a nation towards a more sustainable future for humanity. Therefore, the focus of corporate action against the backdrop of sustainability is on reducing the impact their core raison d'être entails and giving back to the social and environmental surrounding which enables and sustains the corporation's existence in the first place. In contract to this, the sustainability of societies is a prospective term regulating the broad focus of human existence. Since most corporations are striving to generate profits, their sustainability efforts – and with them their role in reaching the general societal sustainability goals – are seen as directed towards the basis and side-effects of this economic striving. In comparison to the much more broad, societal efforts towards sustainability these efforts are confined to a context and a practical orientation . Non-profit corporations have an equally focused striving, although it is directed towards a different goal than monetary profits, resulting in different foundations and side-effects equally needing mitigation and restitution.

This point of view results, in the case of for-profit corporations, in an economic dimension responsible to sustain the corporation's existence, while the ecological and social dimensions are being put to use for side effect reduction and giving back to soci-

23 Translation adapted by author

ety and environment by sustaining the corporation's social and ecological basis, opposing the credo of profits at all costs. This also means that the sustainability-driven activities of a corporation must have a topical link to the corporation's business field, as its corporate values are much more credible, comprehensible and thus functional there, than in any other arbitrarily chosen area. A corporation producing spices that invests in alternatives to pesticide-based crop growing, local processing of all components, short transport distances or fair working conditions can subsume such actions in their sustainability efforts, while a donation to the local aquarium or orphanage must rather be seen and labeled as charity.

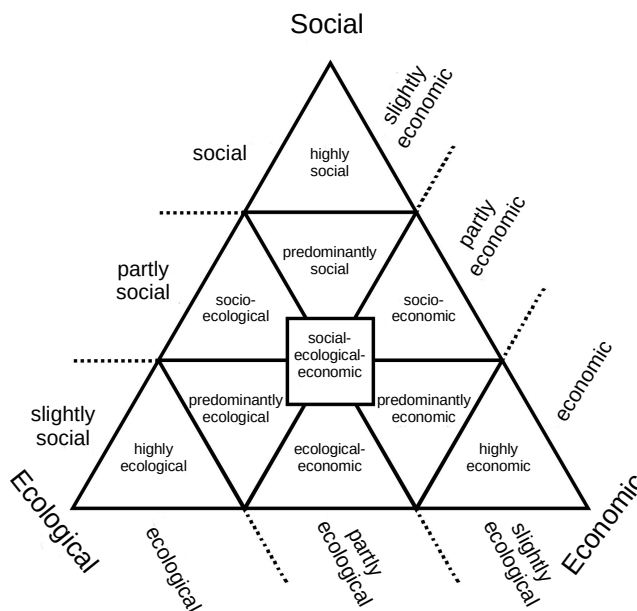


Illustration 28: The Integrating Triangle of Sustainability (Kleine and von Hauff 2009:523)

Not conceding primacy to any of the dimensions is in my approach accompanied by the demand, building on the three pillar approach, that each of them has to be respected when corporate sustainability is set up. Isolated social or ecological initiatives are certainly still possible and desirable, but they must not be labelled as sustainable, but rather simply as what they are – ecological or social. In contrast, corporate sustainability always has to comprise sev-

eral activities addressing environmental as well as social concerns relating to the corporation's business activities, while simultaneously considering the interplay with the economic foundation of the corporation. The idea of impact reduction at the ecological level is historically rooted in the environmental movement of the 20th century (McCormick 1991), while the 19th century concept of Corporate Social Responsibility (CSR) in its pristine form covers sustainability's social aspect (Marens 2013). In combination with the economic foundations of the corporation these two concerns form the triumvirate of corporate sustainability, constantly competing and interacting with each other. The characteristics of this triumvirate are expressed through the choice of corporate values, while the interaction of the different dimensions of sustainability is depicted in the highest layer of corporate values (see chapter 4.3), determining the interplay between different corporate values.

A concept of corporate sustainability based on these aspects and the preservation of profits is, however, not suited to strive for absolute sustainability, as this would imply the closure of the corporation in order to totally mitigate the adverse impact of its existence. As laid out by Jennings and Zandbergen (1995:1023), "individual organizations cannot become sustainable: Individual organizations simply contribute to the large system in which sustainability may or may not be achieved". In the concept of this dissertation, sustainability is rather a question of corporate values, indicating, which of the many facets of impact or giving back are addressed, fully aware of the neglected rest. It is this form of sustainability, shaped by the choice and elaboration of corporate values, that gives a corporation the unique character a value recipient can recognize, judge, and potentially identify with.

6.3 Case Study: Application of the Framework

This chapter aims at discussing the goal of the case study and the methods applied in its course. These methods include the case selection criteria (chapter 6.3.1) applied during the process of selecting a case study, the case description (chapter 6.3.2) introducing the subject of the case study, and finally the data assessment as well as the content analysis methods (chapter 6.3.3) used to analyze the declared corporate values.

Case study results are expected on two levels: (1) The content analysis (chapter 6.3.3) extracts statements from the publicly accessible corporate documentation and results in a structured representation of the corporate value corpus according to its corporate documentation. (2) The reconstruction of corporate values (chapter 6.4) is based on the structured representation produced in step 1. It is used to validate this dissertation's approach by reconstructing existing corporate values using this dissertation's framework and comparing the output's informative value to the informative value of the original corporate value statements. If the output's informative value exceeds the original one, this indicates a comparatively deficient functionality of the originally formulated corporate values and, by presenting an alternative to the dysfunctionality, the validity and value-added of this dissertation's framework.

6.3.1 Case Selection Criteria

This chapter establishes the proceedings and selection criteria for the case study. The results from these chapters are subsequently used as a background in chapter 6.4

to reconstruct the middle layer (see chapter 5.2) of a corporate sustainability value. The upper layer of corporate sustainability value is addressed in chapter 6.5 in order to analyze its interplay with other corporate values, one more time against the background of the explicit and implicit corporate value aggregated and analyzed in chapter 6.3.3.

6.3.1.1 Proceedings

Since the goal of chapter 6 is to provide context for the term sustainability and validate the framework by applying it to the corporate value sustainability, this corporate value of sustainability the corporation used as an example imperatively has to exhibit some connection to the idea of sustainability and has to be set out to go about its business in a way geared to values of sustainability. The goal of applying the framework to a real-world corporation is to validate its functionality and showcase the additional gain of information provided by using the framework for the analysis of corporate values.

Sustainability and sustainability reporting has established itself as a standard in many corporations in the last one or two decades. Nevertheless, the values constituting a sustainable set up and management of a corporation do rarely take center stage in the self-presentation of a corporation nor do many of them provide information in such a detail necessary to apply all elements of the framework. The data could be requested or appraised in interviews. Such an approach, however, would run contrary to the requirement of the framework that information concerning corporate values is openly available to value recipients and does not have to be requested or inquired in any way. This problem is addressed in three ways:

1. Corporate values, inasmuch as they are not explicitly mentioned on the corporation's website or the documents publicly available for download, are deduced from statements concerning value objectives, motivations, goals, mission & vision statements, etc.
2. Information gaps, such as open questions or unaddressed topics, are marked and filled with synthetic information. This synthetic answers are kept as realistic as possible without a deeper insight into the organization and processes of the corporation to demonstrate and validate a feasible real-world application of the framework.
3. The corporations reviewed during the process of selecting a suitable example have all been awarded some type of prize for including sustainability in their

business in one way or the other in order to ensure a certain degree of awareness for sustainability and an orientation towards values forming its basis.

6.3.1.2 Case Selection Criteria

The degree of orientation towards sustainability, the importance of values in this orientation and the volume of documentation varies hugely among corporations having received some kind of sustainability award or recognition for their sustainability-related activities. The selection of the corporation used as an example is based on three criteria:

1. It is unlikely that a corporate documentation is already structured or formulated according to the framework of this dissertation. Therefore, the information first has to be extracted from different parts of the documentation before the actual analysis of the data. In order to keep a narrow focus on the questions researched, the extent of the documented goals, motivations, activities in the context of sustainability has to be contained. To nevertheless keep the orientation towards sustainability within the corporation relevant, the attention is directed towards small and medium businesses, as their fields of activity are narrower and fewer activities are necessary to make a significant impact.
2. As a common cultural background facilitates the extrapolation of synthetic but realistic statements with regard to elements of the framework not covered by the publicly available corporate documentation and reporting, the selection of an example corporation is mainly focused on Europe, and especially the German-speaking countries.
3. To avoid a cultural lock-in the corporation used to exemplify the framework should have some international context. Therefore, a corporation either with own branches in a different cultural area or cooperating with sub-contractors from a different cultural area is to be preferred.

6.3.2 *Corporation Portrait*

Considering the aspects described above and after consultation with representatives of the corporation discussing my intention and approach, I have decided to work with the case of Remei AG (hereinafter referred to as Remei). Remei (2014c) is a Swiss producer of threads and outerwear directly employing approximately twenty people. In

August 2009 Remei was awarded the 'sustainability price' of the Zürcher Kantonalbank for ecological and fair production of cotton, as well as the 'prix eco.swisscanto' (eco.ch 2014) award in March 2013 honoring 20 years of constant effort to not only reduce the negative social and environmental impact of large-scale cotton production by taking corresponding countermeasures, but also to have a positive effect on the local communities in the matter of public health, education and stable family income. Remei has the entire production chain under its own control, from sowing, harvesting, ginning, spinning, weaving and dyeing the cotton to manufacturing and selling the end-product. The cotton originates from farmers in India and Tanzania, where also the manufacturing process takes place, working under conditions defined by the bioRe Foundation (2014b), which has been founded by the founder of Remei and is also dictating the business standards. Due to this setup, allowing a high degree of control over the business processes involved to turn raw materials into retail products, the corporate values have the potential to reach a high degree of relevance with regard to production and the end-product. The corporation therefore meets the requirements of high value impact, manageable size, cultural compatibility and international context. Additionally, the corporate understanding of sustainability does not seem to be primarily guided and formed by sustainability models or reporting schemes but rather by a rather individual idea of the corporation's and foundation's patron of what is the right thing to do or in other words: his personal values.

6.3.3 Analysis of Corporate Values

This chapter's goal is to assemble traces hinting towards Remei's corporate values by applying content analysis to the publicly available documents and extracting the corporate values that might have led to the current setup and self-conception of the corporation. These extracted values might not match exactly with the currently declared corporate values due to different frameworks taken as a basis and due to the fact that only publicly available documents and statements are taken into account in order to simulate the situation of an ordinary value recipient striving to analyze the corporation's value orientations using the framework developed above. This extracted data-set of values is the foundation on which the value of sustainability is reconstructed in the chapters 6.4 and 6.5, as an application and validation of the framework developed in chapter 5.

The first step (chapter 6.3.3.1) gathers explicit declarations regarding corporate values and orders them by the value issue addressed, further distinguishing value goals

and value activities addressing these goals. After a first tabular overview of the analysis, additional relations among value issues, value goals and value activities are added as a result of an interpretation of Remei's value statements. As a tabular representation cannot cope with multilateral relations, a diagram is used as depiction method. Step two (chapter 6.3.3.2) expands the collected information with additional data from the corporation's website and publicly available corporate documents to learn more about the coherency between declared corporate values issues, subordinate value goals and finally activities set up to reach these goals. This aggregated information regarding the explicitly and implicitly declared corporate values is then used to reconstruct the value of corporate sustainability (chapter 6.4) and illustrate possible interplay with the remaining corporate values (chapter 6.5).

Step 1 and step 2 inevitably base on interpretation of the published statements and speculation concerning the underlying intentions. There are virtually countless possibilities how declared goals, activities and norms can be classified and mapped to each other and assigned to value issues. It is therefore important to note that any statements made in this dissertation concerning the considerations and intentions underlying value goals, value activities, or value norms, unless explicitly referring to a corresponding corporate statement, are unrelated to Remei's point of view and exclusively roots in personal interpretation of the statements published by Remei. The fact that substantial space for interpretations and speculations emerges during the analysis emphasizes the need for a framework aiming to enhance informative value of corporate value statements and thereby reducing the leeway for interpretation and speculation.

6.3.3.1 Declared Values

As a starting point for the framework-based reconstruction of corporate values based on the example of Remei, the corporate values declared on Remei's webpage (Remei AG 2014c) including the additional statements concerning benefits, goals and motivations are listed. This declaration and representation of corporate values is not only the starting point and part of the data-set for the reconstruction of the value of corporate sustainability but also serves as baseline for the identification of the added value provided by the framework developed in this dissertation.

Value 1: Organic Cotton (Remei AG 2014c:bioRe Philosophy/Organic Cotton)

- Organic farming is a basis for modern cultivation of plants preserving the health of the farmers involved.

- Resulting from organic farming, cotton is obtained from controlled organic farms and yarn is certified according to EU 834/2007, NOP and GOTS.
- Farmers and their families are enabled to escape the debt spiral as they do not require loans to purchase expensive chemicals.
- Organic farming secures long-term soil fertility.
- Preserving long-term soil fertility is the essence of small farmers' livelihood.

Value 2: Fair Production (Remei AG 2014c:bioRe Philosophy/Fair Production)

- Respect for men is a basis for sustained success.
- Respect is expressed by offering dignified working conditions.
- Dignified working conditions protect human health and improve the conditions of living and working.
- The audited bioRe social criteria include: training and extension services, an organic premium, farmer's representation and co-determination, worker's rights, absence of discrimination, capital build-up, reinforcement of organizations, initiation and support of social projects.
- The audited SA8000 criteria include: absence of child and forced labor, health and safety at work, freedom of trade unions, absence of discrimination, absence of disciplinary punishment, regular hours of work, remuneration, implementation of an SA8000 management system.

Value 3: Ecological fashion (Remei AG 2014c:bioRe Philosophy/Ecological fashion)

- Ensuring a sustainable improvement on ecological quality in production is a big challenge.
- No toxic chemicals are used during dyeing or printing.
- bioRe input management and bioRe control system are implemented across the entire value chain.
- bioRe products protect textile workers from toxic chemicals.
- bioRe products protect the environment by means of controlled water purification.
- bioRe products result in an excellent skin compatibility for consumers.

Value 4: CO₂-neutral (Remei AG 2014c:bioRe Philosophy/CO₂-neutral)

- The goal is to minimize CO₂ emissions across the entire textile chain by optimizing the process and using alternative carriers of energy.
- The remaining CO₂ emissions will be offset in the bioRe farming territories through the building of biogas plants and efficient stoves.
- The building of bio-gas plants and efficient stoves will improve the farmers' living conditions and help preserve the environment, in particular forest ecosystems.

Value 5: transparent (Remei AG 2014c:bioRe Philosophy/transparent)

- Complete traceability of all bioRe products and control of all process steps are guaranteed.

- The bioRe textile chain is audited at all levels of production.

Before delving into other sections of the corporate webpage or additional publicly available documents in order to gain additional information concerning corporate activities, motivations and goals to feed them into the framework, a first analysis and structuration of the declared corporate values is conducted. For this purpose, I classify the declared value statements into the elements of (1) value issue, describing the important – and problematic if ignored – topic rendering the value necessary and valuable, (2) value goal, characterizing the target of the actions triggered by this corporate value, and (3) value activities, specifying what is done in order to reach the value goal and therefore at least partly solve the value issue (see chapter 3.1). Value norms will be added at a later point (see question Q12), during the reconstruction of the corporate value of sustainability, in order to align them with the respective goals and activities.

The value issues addressed by value 1 are manifold and ambiguous. Possible candidates are (1) preservation of farmers' health, (2) offering a way out of the debt spiral, (3) conservation of long-term soil fertility, and (4) securing small farmers' livelihood. These issues, however, are not situated on the same dependency level. If securing small farmers' livelihood is the value issue at hand, conserving soil-fertility, finding a way out of debt and preserving farmers' health are rather value goals contributing to the superordinate value issue of securing livelihood, as pointed out by Chambers and Conway (1992) and Obrist et al. (2007). Preservation of health, in turn, depends, among other factors, on fertile soil and the financial resources available (Victora et al. 2003), while fertile soil itself represents a major pre-condition for a farmer's income. Based on these considerations, I consider the final value issue of value 1 to be securing small farmers' livelihood, supported by the value goals of preserving farmers' health, improving their financial situation and preserving the fertility of their soil. Obtaining cotton from controlled organic farms and the certification of the yarn gained from this cotton is regarded as activities to reach these three value goals.

The value issue underlying value 2 emerges as showing respect towards humans, going beyond the scope of value 1 by addressing a broader population than just small farmers. This value issue is being supported by the value goals of offering dignified working conditions and meeting the standards of SA8000 and well as the bioRe social criteria. The requirements to meet these two standards imply a whole collection of activities with the goal to offer e.g., training and extension services, guarantee the absence of child labor, ensure the freedom of trade unions, protect against discrimination,

etc. Even though such activities are not explicitly listed, the mentioning of the standards is regarded as an intent to do what it takes to fulfill them.

Value 3 is related to the value issue of ecological quality during the production process. The mentioned 'sustainable improvement' does not relate to the concept of sustainability as it is used in this dissertation, but rather refers to the temporal dimension and implies that the improvements are expected to be of a certain stability and duration. This value issue is backed by the value goals not to use toxic chemicals during dyeing and printing and to purify the water used during production. The activity of implementing bioRe input management and control system across the whole production chain describes the means to reach these goals. The two goals of protecting the workers from toxic chemicals and striving for excellent skin compatibility of the end products line up with the issue to improve the ecological aspects of the production process seem out-of-place, as they do not address the issue of ecological quality but rather the value issue of value 2, i.e., respect towards humans, which is why they will be considered to be part of value 2 rather than value 3 for the further steps of analysis.

Value 4 addresses the value issue of CO₂ emissions across the entire textile chain. It is supported by two goals: (1) First the emissions along the whole textile chain are minimized and (2) second the remaining CO₂ emissions are to be compensated for in the bioRe farming territories. The activities to further these goals are an optimization of the processes and the utilization of alternative energy sources for the former goal and the building of biogas plants and efficient stoves for the latter goal. The mentioning of improved farmers' living conditions as a result of efficient stoves, however, is hard to relate to the value issue of CO₂ emissions, which is why the activity of building efficient stoves is copied to value 1. There it is supporting the value issue of securing small farmers' livelihood.

Value 5 is broaching the value issue of transparency. It defines the value goal that all bioRe products shall be traceable through all steps of the chain. The activity of according audits at all levels of production is implemented to reach this goal.

A tabular overview of declared value issues, values goals and activities after the re-arrangements mentioned above looks as follows:

Table 9: Interpretation of Declared Corporate Values

Value #	Value Issue	Value Goals	Value Activities
1	Securing small farmers' livelihood	Preserving farmers' health	Obtaining cotton from controlled organic farms
		Improving their financial situation	Certification of the yarn gained from this cotton
		Preserving the fertility of their soil	Building of efficient stoves (no explicit value goal, possibly health preservation)
2	Showing respect towards humans	Offering dignified working conditions	SA8000: Absence of child and forced labor, health and safety at work, freedom of trade unions, absence of discrimination, absence of disciplinary punishment, regular hours of work, remuneration, implementation of an SA8000 management system
		Meeting the standards of SA8000	bioRe social criteria: Training and extension services, an organic premium, farmer's representation and co-determination, workers' rights, absence of discrimination, capital build-up, reinforcement of organizations, initiation and support of social projects
		Meeting the standards of the bioRe social criteria	
		Striving for excellent skin compatibility of the end products	
3	Ecological quality during the production process	Abstain from using toxic chemicals during dyeing and printing	Implementing bioRe input management and control system across

Value #	Value Issue	Value Goals	Value Activities
		Purification of the water used during production	the whole production chain
4	CO ₂ emissions across the entire textile chain	Minimizing the emissions along the whole textile chain	Optimization of the processes and the utilization of alternative energy sources
		Compensating the remaining CO ₂ emissions in the bioRe farming territories	Building of biogas plants and efficient stoves
5	Transparency	Enabling the traceability of all bioRe products through all steps of the chain	Audits at all level of production

A tabular depiction however is unable to do justice to activities advancing more than one goal and goals serving more than one issue. In order to overcome this limitation resulting in under-complexity, the same data will be represented in a flow model indicating what goals are derived from which issues and what activities advance which goals. The following new connections are added resulting in the model depicted in illustration 29, once more rooting in interpretation of the goals and activities:

1. The goal '*minimizing the emissions along the whole textile chain*' also serves the issue of '*ecological quality during the production process*', since the production process in part of the textile chain and therefore affected by a minimization of the emissions along the entire textile chain.
2. The goal '*preserving farmers' health*' also serves the issue of '*show respect towards humans*', since accepting somebody's health loss as a result of an employment cannot be seen as a particular sign of respect.
3. The goal '*preserving the fertility of their soil*' also serves the issue of '*show respect towards humans*', since accepting the loss of somebody's means of existence as a result of an employment cannot be seen as a particular sign of respect.

4. The activity of '*building of efficient stoves*' also serves the goal of '*improving their financial situation*', since burning less fuel causes fewer costs, provided the fuel must be bought. If the fuel can be collected, the time needed to do so can be invested otherwise, thereby improving the financial situation.
5. The activity of '*initiation and support of social projects*' also serves the goal of '*preserving farmers' health*', provided the social projects at least partly address questions of health, as it is the case with projects supported by Remei (Remei AG 2014c:biore Foundation).
6. The activity of '*support of capital build-up*' also serves the goal of '*improving the farmers' financial situation*', as own capital stock grants a higher freedom from credits and interests.
7. The activity of '*offering an organic premium*' also serves the goal of '*improving the farmers' financial situation*', due to the higher household income.
8. The activity '*obtaining cotton from controlled organic farms*' also serves the value goal of high skin-compatibility of the products.

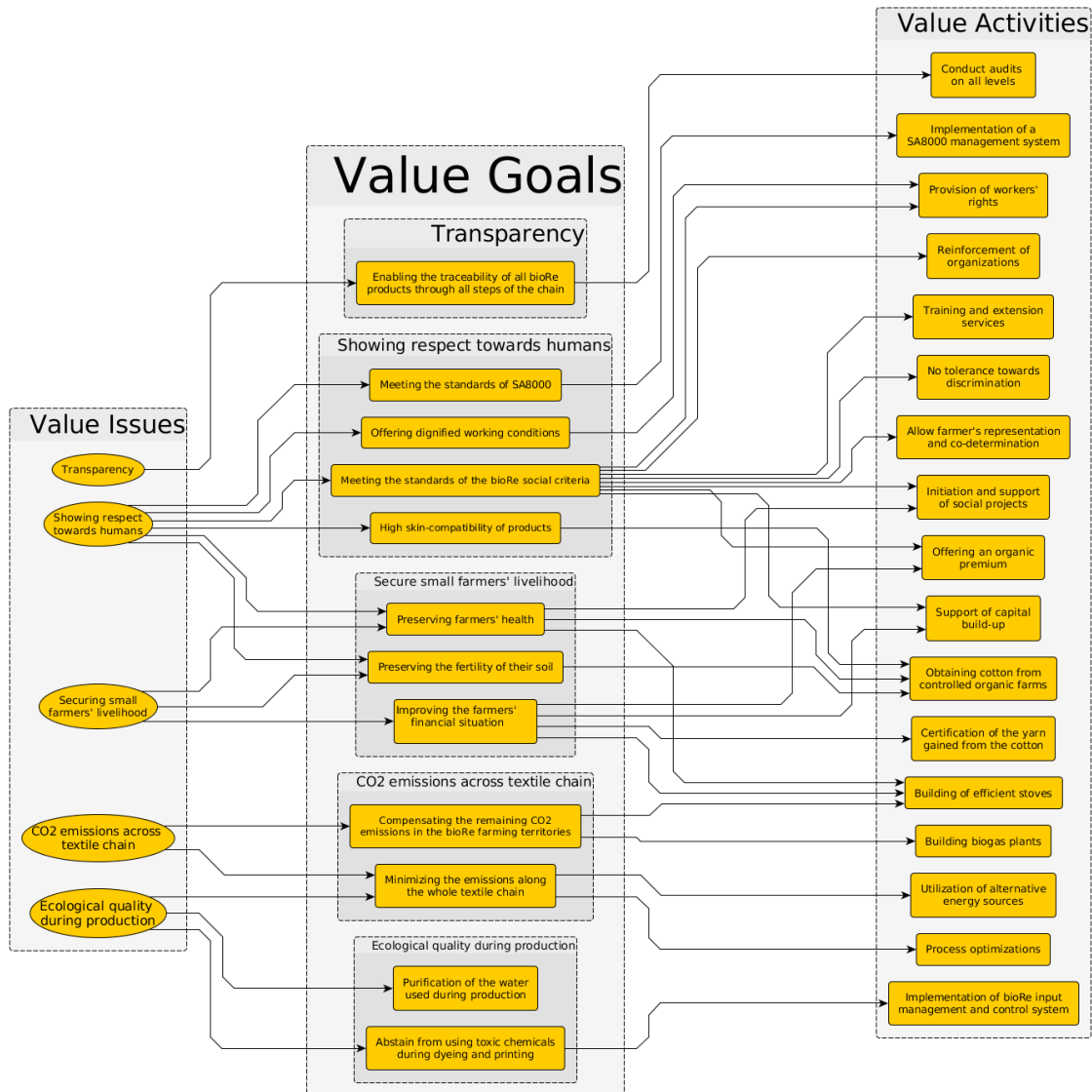


Illustration 29: Interpreted Corporate Values (illustration by author)

The step of including multilateral relations concludes the analysis and interpretation of the explicit corporate values. In the following chapter additional material will be added to the declared values in order to enhance the expressiveness. Based on this informative value the corporate value of corporate sustainability can be built against a realistic and true-to-life background in the chapters 6.4 and 6.5.

6.3.3.2 Corporate Website and Additional Documents

This chapter aims to add statements related to value issues and value goals made on the corporate website and in additional documents beyond the statements of the declared values discussed in chapter 6.3.3.1. Statements made by bioRe Foundation are only related to Remei in cases where Remei itself also states interest in the topic in an

own document. Since the statements are analyzed with regard to their explanation or presentation of corporate values only statements with formulations alluding to corporate values or the core self-conception of the corporation are taken into account. Where possible, statements with relations to corporate value issues or value goals are assigned to one of the corporate values. Where such an assignment is not possible in a comprehensible manner the statements are collected and analyzed separately. The following statements have been extracted and are in this step shortly discussed and added to the flow model representing the declared corporate values.

Value 1 (Securing small farmers' livelihood)

- a) "Promotion of ownership and empowerment by means of knowledge transfer" (Remei AG 2014c:bioRe Foundation) → Accumulation of relevant knowledge as means of capability broadening and empowerment is seen as value goal serving the value issue of securing small farmers' livelihood, as it is directly connected to the farmers' ability to shape their livelihoods.
- b) "Training and advisory services for farmers" (Remei AG 2014c:Products/Production Chain) → These services are seen and added as new value activities supporting the goal of knowledge transfer mentioned above.
- c) "Reinforcement of supported communities by income generation as well as improvement on health, education and agricultural infrastructure" (Remei AG 2014c:bioRe Foundation) → This statement introduces a new value issue by mapping the goals of an improved situation regarding income, health, education and infrastructure to the support of a community. Since this issue touches on both, the issue of a secure livelihood and the issue of respect towards humans, it is added to the flow as a new superordinate value issue comprising the two mentioned, existing value issues.
- d) "Purchase guarantee" (Remei AG 2014c:Products/Production Chain) → Offering a purchase guarantee is supporting a farmer's livelihood by advancing the goal of an improved financial situation. The planning reliability resulting from a purchase guarantee leads to decreased risks for the farmer and therefore to an improved financial situation. The statement will therefore be added as a value activity serving the goal of an improved financial situation for farmers.

Value 2 (Showing respect towards humans)

- a) "The bioRe Foundation secures the fundamental human rights of leading a life in dignity and enjoying a sustainable livelihood in an intact environment for families in the South" (Remei AG 2014c:bioRe Foundation) → Similar to bullet c of the previous listing this announcement states a superordinate value building on dignity, a sustainable livelihood and an intact environment. This claim extends the scope created by point c of the listing to value 1 by adding the aspect of the environment to it. This results in a new value issue not only superordinate to value issue 1 and value issue 2 but also to value issue 3 and 4. The limitation added at the end of the statement raises the question, whether securing a life in dignity, a sustainable livelihood and an intact environment is seen as a general issue or a specific one relevant to families in the south. Since this value issue is a high-ranking one, such a limitation would be valid for all subordinate elements of the flow.
- b) "Development of infrastructure in the fields of education, health and agriculture" (bioRe Foundation 2013) → The broad goal of infrastructure development supports all value issues where such infrastructure represents part of the aspired solution; in this case value issues 1 and 2, as the remaining value issues do not have a direct connection to the topics of educational, health-related or agricultural infrastructure. It is therefore added to the flow as a new value goal supporting the value issues of 'securing small farmers' livelihood' and 'showing respect towards humans'.
- c) "Promotion of community projects" (Remei AG 2014c:Products/Production Chain) → This activity is seen as a parallel activity to 'initiation and support of social projects'. Therefore, the existing activity is expanded with the aspect of community projects.
- d) "Self-administration by farmer communities as a long-term objective in all social and farming projects" (Remei AG 2014c:bioRe Foundation) → Self-administration is considered as a goal advancing the value issue of dignity and respect rather than livelihood. Therefore, this statement is added as a new goal to the flow subordinated to the value issue of 'showing respect towards humans'.

Value 3 (Ecological quality during the production process)

- a) "Take the challenge to find and work with GMO-free seeds" (bioRe Foundation 2014a:2, 2014c) → This statement allows the conclusion that working with GMO-free seeds is considered good ecological quality. Therefore, this statement is added to the flow as a goal supporting this issue.
- b) "Biodiversity proves that we are on the right track" / "We advance the causes of biodiversity" (Remei AG 2014b:4) → Biodiversity as a piece of evidence for success implies a value goal supporting a value issue. Therefore, the statement is added as a value goal supporting the value issue of ecological quality during the production process.

Uncategorized

- a) "Remei AG manufactures organic-cotton textiles in a sustainable process covering the entire chain of production." (Remei AG 2014c:Products) → This statement formulates the expectation to produce in a sustainable way across the entire chain of production. It thereby forms a new value issue of sustainability comprising all three dimensions of sustainability and therefore including existing value issues such as the ecologically inspired value issues of 'ecological quality during production' and 'CO₂ emissions across the textile chain' and the socially motivated value issues of 'securing small farmers' livelihood' and 'showing respect towards humans'. It is therefore added to the flow as a new value issue superordinate to the ones mentioned.
- b) "We provide a vast range of fibers and yarns." (Remei AG 2014c:Products) → The self-expectation of the corporation to provide a broad range of products is a value goal without superordinate value issue. At this point, it is therefore left without any value issue.
- c) "bioRe quality label stands for Remei AG's socially and ecologically compatible chain of production" (Remei AG 2014c:Products/Clothing) → This statement reinforces the claim to produce in a socially and ecologically compatible way. Compatibility, although not specified in more detail, is here interpreted as compatibility to the standards mentioned before, such as SA8000 or bioRe social criteria. As no new aspect is brought up, this statement is not added to the flow as a new element.

- d) "bioRe is a byword for organic-cotton textiles manufactured in a highly professional production process satisfying the most stringent ecological and social criteria." (Remei AG 2014c:Products/bioRe Quality) → Since the term 'highly professional production process' is additionally described as ecologically and socially appropriate, it is interpreted as a statement concerning a topic different from ecological or social ones. Hence, professional production is interpreted as a term describing the efficiency and efficacy of the production chain as well as the quality of its output. This statement is therefore added to the flow as a goal to produce goods of professional quality in an efficient and effective way. As such a goal currently lacks an according superordinate value issue, it is currently left without one.
- e) "Sustainability is the art of attributing adequate importance to people and nature. A balancing act." (Remei AG 2014a:2) → This characterization of sustainability expresses a one-sided perspective absolutely omitting the economic dimension, as one of the classic three dimensions of sustainability. Since the aim of the reconstruction in this chapter is the characterization of corporate sustainability and sustainability has been constituted as mandatorily covering ecological, economic and social dimensions in chapter 6.2, this statement will not be added to the flow.
- f) "We perform a balancing act between revenues and business continuity as well as conviction and reality" (Remei AG 2014b:4) → The described activity of balancing different aspirations provides the link to the missing economic dimension. It is therefore added to the flow as a new value issue representing the economic dimension of sustainability and striving for revenue to guarantee business continuity. The hitherto unconnected value goals of providing a vast range of fibers and yarns as well as producing goods of professional quality support the value issue of business continuity through revenue and are as a result linked to it. In addition to this, traceability of products, meeting the standards of SA8000 and bioRe, preserving the farmers' health and the fertility of their' soil, working with GMO-free seeds, the abandonment of toxic chemicals, and the aspired CO₂ neutrality of the products are seen as important features of the current business model and therefore crucial factors of business continuity. As a result, all these value goals are connected to the value issue of business continuity.

- g) "And yet our merchandise has to be marketable" (Remei AG 2014b:4) → Despite an ideologically influenced, heavily value-based manner of conducting business a corporation has to respond to the needs of the market to ensure the corporation's existence on the long run. Thus, this statement is added to the flow as a value goal supporting the value issue of generate revenue to guarantee business continuity.
- h) "Remei AG considers it important that its financial statements provide to investors, staff and any interested party a comprehensive true and fair view of the company's assets, finances and earnings. Accounting at Remei AG is performed in agreement with the guidelines specified by FER [...]" (Remei AG 2014b:39) → On the one hand this statement contains the value goal to provide financial transparency to any interested party, on the other hand it also provides the corresponding activity of aligning accounting to certain guidelines. The driving force behind this decision is the value issue of transparency. Hence, the value goal of providing financial transparency is linked to the value issue of transparency, while the activity to perform accounting according to FER guidelines is the activity supporting the value goal of providing financial transparency.

Resulting from the inclusion of additional elements found in the publicly available documentation of Remei is a clearly different flow from value issues over value goals to value activities in comparison to the flow building on just the interpretation of the value statements provided by Remei (illustration 29). The former groups of value goals rooting in the tabular form of the declared values (table 9) have been preserved for reasons of better comparison and orientation, although their function is obsolete due to the added multilateral relations marked by the connecting arrows. All newly added value goals have been pooled in one new group of value goals for the same reason.

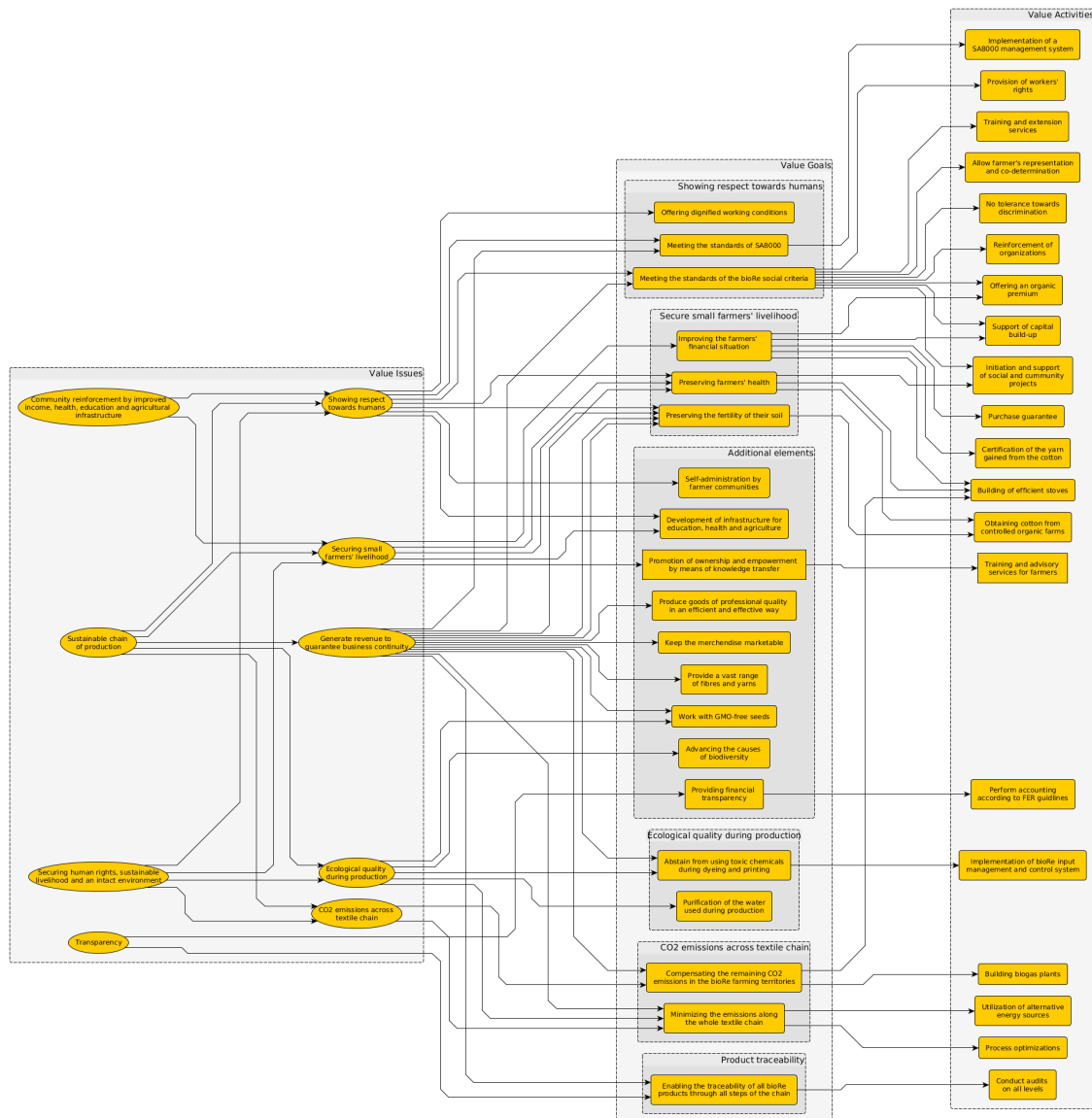


Illustration 30: Enriched and Interpreted Corporate Values (illustration by author)

This dataset of interpreted corporate values enriched with statements made by the corporation in publicly accessible documents is the foundation for the reconstruction of a corporate sustainability value against the background of Remei in chapter 6.4.

6.4 Reconstruction of the Corporate Sustainability Value

In this chapter the content assembled in chapter 6.3 is used to inductively reconstruct a value of corporate sustainability. For this reconstruction the theory-based program evaluation methodology (Bickman and Peterson 1990; Cook 2000; Rogers 2001, 2007) is used, as corporate values are also in fact organizational policies and programs to direct the virtual corporate agent's actions. The classic three elements of program theory (1) inputs, (2) intended outcome, and (3) mechanisms (Sharpe and Bay

2011:72) are in this case replaced by the three pre-conditions for a functional corporate value: predictability, identification and involved groups as discussed in chapter 3.1. This approach is used to reconstruct "the underlying and often implicit theory" (Leeuw 2003:6) of corporate values, instead of programs and policies, as originally proposed. While Leeuw's policy-scientific approach to program theory reconstruction strongly focuses on achieving clarity by reformulating statements, this reconstruction strives to remain close to the wording of the original corporate values in order to ensure comparability, as this reconstruction does not strive to create policy but rather to perform a proof of concept and demonstrate the advantages of the approach discussed in this dissertation when it comes to a functional characterization of corporate values. Furthermore, societal expectations towards corporate values are traditionally not directed towards if-then formulations but rather formed by the narrative, PR-oriented character of corporate values in the past. For all these reasons, reformulations striving for a bi-polar "if-then relation" as advocated by Leeuw (2003:7–8) are not part of this reconstruction.

The reconstruction in chapter 6.4 is furthermore based on the value phases and the corresponding questions developed in chapter 4.2 and the conceptual statements and interconnections depicted in the framework construction of chapter 5. As the basic elements of a corporate value constitute a conceptual basis rather than contributing value-specific content, the reconstruction focuses on the middle layer of value phases in this chapter and the upper layer of value clusters & sets in chapter 6.5. The reconstruction of the middle layer is oriented towards the twenty questions portraying the voids to be filled in order to provide the necessary information for a characterization of a corporate value.

6.4.1 Generation

The generation phase of a corporate value describes its 'birth and socialization', to put it in parallel to corresponding phases of human development. All subsequent phases stand on the shoulders of the generation phase when they convey, control or evolve the character of the corporate value resulting from the phase of generation. The four questions of this phase address the topics of motivation, relevance, responsibility and finally purpose, at the levels of corporate value issues and goals.

Q1 What issue shall be addressed with the corporate value of sustainability?

Sustainability, due to its multi-dimensional and heterogeneous character, must address all three dimensions of sustainability, as laid out in chapter 6.2. This can happen

by providing three or more issues each addressing a specific dimension of sustainability. However, value issue may cover more than one dimension, which can be observed, e.g., in the superordinate value issue of 'sustainable chain of production', addressing the social, ecological and economic dimensions in like manner. The declared value issues assembled, enriched and interpreted in illustration 30 provide three superordinate issues all addressing more than one dimension of sustainability.

1. The value 'Reinforcement of supported communities by income generation as well as improvement on health, education and agricultural infrastructure' brings up the social dimension and its expression in the form of respect towards humans and the security of small farmers' livelihood. The characteristics of these two sub-issues have thereby been pre-determined, as their superordinate value issue already dictates that topics like income, health, education and infrastructure have to be depicted.
2. The superordinate value issue 'sustainable chain of production' reconfirms the value issues of respect towards humans and the security of small farmers' livelihood. But it also adds the value issues of generating revenue in order to guarantee business continuity, as well as bringing up the general ecological aspects of production and the more specific topic of CO₂ across the entire textile chain. This again results in a superordinate value issue addressing several dimensions of sustainability at once.
3. Finally, the superordinate value issue 'Securing human rights, sustainable livelihood and intact environment', reconfirms the issues already brought up and adds the explicit aspects of human rights and a sustainable livelihood for farmers not directly mentioned by the previous superordinate value issues.

These three superordinate value issues motivate and are characterized by all their sub issues of (1) 'Showing respects towards humans', (2) 'Securing small farmers' livelihood', (3) 'Generating revenue to guarantee business continuity', (4) 'Ecological quality during production', and (5) 'CO₂ emissions across the textile chain'. The only remaining value issue, the value issue of transparency, does not have a sub value issue to shape but rather directly leads to the motivation of corresponding goals. The value issues quality can therefore be concluded based on both, superordinate value issues and on subordinate value goals.

A summary of the value issues addressed by a corporate value gives the value recipients an idea of the understanding and interpretation of this corporate value. In this example, the answer to Q1 outlines the way a corporation regards sustainability on an ideological level, which will guide its implementation across the corporation at large. Based on illustration 30 a possible way to construct a value issue statement for a corporate value of sustainability could be:

'To us, corporate sustainability means reinforcing communities by improving their income, health, education, and infrastructure. We are not only aiming at improving their livelihoods but also expressing our respect for them as humans while doing so. Our sustainable production process covers social, economic and ecological aspects. All our activities and projects are characterized by a striving for transparency and observance of human rights.'

Such a shaping of the corporate value sustainability, while covering the explicitly formulated topics of the assembled value issues and thereby perfectly covering the motivational level, ignores the requirement for detailed description of the involved groups (see chapter 3.1). Hence, the communities being reinforced have to be further specified in Q15 when discussing the presuppositions. The second aspect missing in the current value issue statement is the obviously special role of CO₂ for Remei, as it is explicitly listed in addition to other ecological topics concerning the production and in contrast to them not confined on the production process but rather on the entire textile chain. Bearing these two additions in mind, the value issue statement concerning sustainability could be modified as follows:

'To us, corporate sustainability means reinforcing **the supported developing countries** communities by improving their income, health, education, and infrastructure. We are not only aiming at improving their livelihoods but also expressing our respect for them as humans. Our sustainable production process covers social, economic and ecological aspects **with an emphasis on lowering CO₂ emissions not only during the production process but across the entire textile chain**. All our activities and projects are characterized by a striving for transparency and observance of human rights.'

Making such a value issue statement does not only clarify what the value declarators had in mind. In this example, it also becomes clearly recognizable to all value recipients that, e.g., sustainability for stakeholders outside developing countries is limited

to the reduction of CO₂ emissions, human rights and transparency. While some value recipients might disagree with this decision, they are, thanks to a clear value issue statement, not left in the dark about the issues the value declarators wanted to address and the issues they decided to leave aside.

Q2 Why should this corporate value be deemed essential for the corporation?

The question of why sustainability should be considered essential for a corporation must be answered on both levels as required by question Q2. The functional level of the answer relates rationally justifiable reasons showing the corporate value's importance and essentiality. In this example, sustainability can be functionally justified by pointing out its competitive advantages:

'The value of corporate sustainability gives the corporation competitive advantages over competitors operating without it. (1) Meeting high social and ecological standards and avoiding GMOs, and the absence of toxic chemicals paves the way towards our targeted consumers. (2) Keeping the own workforce healthy, well-paid and treating them with dignity and respect ensures a motivated, loyal, experienced and able workforce. (3) Avoiding chemical pest-control helps to prevent damaged and impoverished soil, which in turn guarantees stable crop volumes. (4) Advancing the causes of biodiversity improves the potential for biological pest control, offering alternatives to chemical-based procedures. (5) Transparency demonstrates trust and openness, giving the corporation an image advantage over the competitors.'

In addition to the functional level, the importance of corporate value issues can, in contrast to value goals, activities or norms, also be justified on an ideological level. Since Remei is heavily influenced by its founder and long-term CEO, his personal opinions, having shaped the corporate values, are the heart and soul of the corporation. Consequently, it is an inseparable part of the justification of the importance of a corporate value. In this example, the justification of the value declarators could simply be:²⁴

'Responsibility is what drives our decisions. Bearing the responsibility for many workers and their family members, for huge land areas, their soils, flora and fauna, and for countless products being worn by our many customers, it is our aim and ethical duty to produce and sell cotton profitably and at the same time in a fair, ecological and long-term oriented manner.'

24 While there is no explicit statement concerning the role and importance of sustainability for the corporation Remei, this synthetic statement has been based on a video clip (bioRe Foundation 2015) describing the character of the corporation.

Combined, both levels of explanation reflect the motivations behind and the importance of the characterized corporate value. It is important to note a difference in the openness towards arguments. The functionally justifying part can be attacked with logically functional arguments, as they are based on inter-personally valid assumptions and statements. The ideological justification, however, is not an inter-personally valid statement, as it mirrors the personal convictions of the value declarators; their personal views on morally good and bad, injected in the personality of the 'virtual corporate agent'.

Q3 Who has sponsored this corporate value at which point in time?

Question Q3 can be answered with a simple table containing the names of the individuals who have initially shaped and sponsored this corporate value and the dates the corporate value has been generated. Changes to the corporate value later on, are not part of this record, but rather subject to description in the evolution phase of the corporate value. For example:

Sponsor	Date
Patrick Hohmann, CEO Remei AG	03.04.1995
Holdener, Armin, Vice-President Remei AG	03.04.1995

Not holding much but nevertheless important information itself, Q3 functions as a starting point for the documentation of corporate values and the men and women declaring them, providing additional information to the informed value recipient.

Q4 What is the goal of this corporate value?

The goal or goals of a corporate value differ from the issues of their respective corporate value issue inasmuch, as the corporate value goals depend on the superordinate corporate issues; they are their logical derivatives. Corporate value issue provide insight into a general motivation, while the corporate value goals reveal concrete objectives, which are expected to put their superordinate corporate value issues into effect. Hence, corporate value goals have to expose their relations to the respective corporate value issues. In this reconstruction, the corporate value goals base on the corporate value issues having been formulated above in the answer to Q1.

In order to illustrate a broad range of goals the three corporate issues a) 'Reinforcement of supported communities by income generation as well as improvement on health, education and agricultural infrastructure', b) 'Sustainable chain of production', and c) 'Transparency' are used as an orientation to reconstruct their subordinate corpo-

rate value goals. The superordinate value issues a) and b) include all subordinate value issues and thereby all motivations for corporate value goals except for the goals rooting in the corporate value issue of 'transparency', which is covered by element c). This proceeding allows for a broad collection of corporate goals to be reconstructed. Basing this reconstruction on the data assembled in chapter 6.3.3, no new ideas or convictions are added in this reconstruction process as long as information necessary for the framework is not plainly missing. In that case, new statements are added and marked accordingly. The additional elements marked in illustration 30 are treated as equivalent parts of the equation and are used correspondingly to form new value goals. Below all newly formed corporate value goals are identified and listed with their relation to the affected corporate value issues and the goal achievement criteria:

Value Goal: Offer respectable working conditions

The corporate value goals 'Offering dignified working conditions', 'Meeting the standards of SA8000', and 'Meeting the standards of the bioRe social criteria' all address the same topic: working place standards. Since the ultimate goal is not the fulfillment of any documented standard per se, but rather the ability to offer respectable working conditions, these goals are combined to a new corporate value goal labeled 'Offering dignified working conditions'. The different standards strived for are not lost on the value recipients, though, but are rather moved on value activity level to describe the efforts to achieve respectable working conditions according to the own ideals.

Table 10: Value Goal: Offer Respectable Working Conditions

Affected Value Issues:	<ul style="list-style-type: none"> • 'Showing respect towards humans' → An important part of respect is found in the working conditions. They strongly affect a worker's livelihood through factors like i.e., exposure to health risks, opportunities for further training and a career, social security, discriminatory behavior, safety issues, etc. • 'Community reinforcement' → Communities with educated children and adults, a healthy population, financial resources and accessible time slots for building, maintaining and developing such a community are stable and able to ensure their future existence. • 'Sustainable chain of production' → People are an important part of the chain of production. Offering respectable working conditions broaches the topic of so-
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	<p>cial aspects across the sustainable chain of production.</p> <ul style="list-style-type: none"> • 'Securing human rights, sustainable livelihood and an intact environment' → While an intact environment is not directly connected to respectable working conditions, human rights and a sustainable livelihood certainly are, for the same reasons respectable working conditions are linked to respect for humans.
Goal Achievement Criteria	<p>The ideal pursued with this corporate value is a working environment that welcomes as well as protects employees and motivates them to participate in a common undertaking. Such an environment in addition compensates them for their labor in a sustainable way, allows for individual development, and integrated with its natural surrounding in a non-invasive, sustainable way.</p> <p>The goal is regarded as achieved as soon as the representatives of the local workers' communities (beneficiaries), e.g., village elders, (assessors) confirm an ideal working environment, as described above. The feedback from the assessors is used to plot the way to further improvements.</p>

Value Goal: Ensure the small farmers' self-determined livelihood

When discussing risks to human communities, Wisner et al. (2004:11) define livelihood from a social perspective as: "[...] the command an individual, family or other social group has over an income and/or bundles of resources that can be used or exchanged to satisfy its needs. This may involve information, cultural knowledge, social networks and legal rights as well as tools, land or other physical resources." The here mentioned aspect of being able to have command over its own life is why the corporate value goal 'ensure the small farmers' self-determined livelihood' does not only comprise aspects as preserving farmers' health, their finances, ensuring the fertility of the soil or improving the farms' infrastructure. It rather also encompasses the ability to self-organize and the chance of empowerment and increased own capabilities based on knowledge and ownership transfers. The different aspects of this value goal are characterized, and thereby recognizable for value recipients, by the corresponding value activities and norms.

Table 11: Value Goal: Ensure the Small Farmers' Self-Determined Livelihood

Affected Value Issues:	<ul style="list-style-type: none"> • 'Securing small farmers' livelihood' → The securing of farmers' livelihood is the main aim of this value goal. The value issue's perspective on security, health, infrastructure, and viable soil in the future, is part of the self-determined livelihood the value goal is aiming for. • 'Showing respect towards humans' → Respect for humans is part of this corporate value goal by understanding livelihood as self-determined livelihood, where it is not enough for everyday life to be survivable. It should also harbor the chance for self-determination and increase of own capabilities. • 'Generate revenue to guarantee business continuity' → While steady revenue is often one of the pre-conditions for self-determined livelihood, it is also one of the consequences from a corporate point of view. Preservation of health, soil and infrastructure, as well as knowledge transfer often require financial resources to set up and maintain. However, they also prepare the ground for new revenue by ensuring an uninterrupted production process and a motivated, actively reflecting workforce.
Goal Achievement Criteria	<p>The ideal state this value strives for allows for a reliable income for the farmer's family, securing their livelihood, future options of development, and the possibility for a higher self-determination and personal responsibility.</p> <p>The goal is achieved as soon as the representatives of the local workers' communities (beneficiaries), e.g., village elders, (assessors) confirm that each and ever working member of the community receives a regular wage, at least 15% above the locale, average wage.</p>

Value Goal: Ensure business continuity

Be it courting the customers' trust and admiration by providing traceability of all products and increased financial transparency or be it producing goods of professional quality in an efficient and effective way; the underlying target remains business continuity for all these goals. Together with the goals to keep merchandise available and to provide a vast range of fibers and yarns they form the corporate value goal 'ensure

business continuity'. As with all value goals, their detailed characteristics are revealed by their corresponding value activities and norms.

Table 12: Value Goal: Ensure Business Continuity

Affected Value Issues:	<ul style="list-style-type: none"> • 'Generate revenue to guarantee business continuity' → The corporate value of generating revenue in order to finance the ongoing costs and future investments is the main source and primary template for this value goal. Providing a broad range of yarns, producing efficiently and in high quality, as well as keeping the products marketable are important goals to support the value issue. • 'Transparency' → As transparency is one of the important factors of trust and loyalty, some goals summarized under the value goal 'Ensure business continuity' are supporting the value issue of transparency. They either operate on the product level ('Enabling the traceability of all bioRe products') or on the financial level ('Providing financial transparency').
Goal Achievement Criteria	Although the beneficiary of this value goal is the corporation itself, the assessors for transparency-based business continuity and the ones for revenue-based business continuity have to be determined separately. While revenue-based continuity can be monitored by the corporate finance department based on inter-corporate standards, the transparency-based business continuity is assessed by an external panel of external transparency expert, appointed for 5 years.

Value Goal: Reduce CO₂ emission across textile chain

CO₂ emissions could be validly considered to be part of the ecological quality during production. However due to its signal effect and the strong concentration on it by media and the public, it is important to value declarators to separate out the reporting concerning carbon-dioxid emissions. On the level of value issues, naturally still both corporate value issues are affected.

Table 13: Reduce CO₂ Emission Across Textile Chain

Affected Value Issues:	<ul style="list-style-type: none"> • 'CO₂ emissions across the textile chain' → Both goals, to minimize CO₂ emissions along the production chain and to compensate the emissions, that could not be
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	<p>avoided, serve the goal to reduce CO₂ emissions overall.</p> <ul style="list-style-type: none"> • 'Ecological quality during production' → Since this corporate value issue is focused on production only, exclusively measures taken inside the production chain count for the support of this value issue. Emission compensations outside the production cycle are for that matter not relevant.
Goal Achievement Criteria	<p>The goal is achieved when an external certificate states proves a zero emission of CO₂ across the textile chain. Whether the emissions are avoided in the first place or compensated at a later stage is not deemed relevant for the achievement of this value goal.</p>

The goal achievement criteria are set quite similarly for all values listed. This does not render the criteria unusable, since they all include the minimal necessary information.

6.4.2 Conveyance

The phase of conveyance renders the corporate value issues and their value goals functional by spreading them outside the circle of value declarators. In contrast to the unique phase of generation, the phase of conveyance is ever-repeating. Personnel turnover requires a regular conveyance to ensure a steadfast level of expertise across the workforce concerning the corporate values. Even with an absolutely stable workforce, refresher events are necessary to keep memories alive and prevent latent value mutation. The questions of this chapter address the level of corporate value activities with the topics of translation into activities, involved players, adaptability of the corporate values, conveyance method(s), and finally anticipated conflicts.

Q5 What activities are foreseen to achieve the goal of this corporate value?

What activities have in fact been put into action is part of the regular corporate value reporting. Nevertheless, an illustrative portrayal of potential activities facilitates a better understanding of the goal the activities are planned to lead to and the maturity of the approach. For this reconstruction, the corporate value goals for the value issue 'Ensure small farmers' self-determined livelihood' are taken as an example for reported foreseen activities of a corporate value goal.

Value Goal 'Improving the farmers' financial situation'

- Offer an organic premium above market price
- Support capital build-up
- Support social and community projects

Value Goal 'Preserving the farmers' health'

- Build efficient stoves for farmers' homes
- Process organic cotton only
- Support social and community projects

Value Goal 'Preserving the fertility of their soil'

- Exclusively perform organic farming

Q6 Which corporate entities are entrusted with this corporate value in which ways?

This question clarifies the responsibilities in order to provide clear person in charge for value recipients. Since the personnel assigned to a project sometimes clearly expresses the priority and attention the project has for the executive management, details concerning the entities entrusted with a corporate value can provide value recipients with more insights concerning the determination and resourcefulness of the planned activities.

"Although many people are involved in the implementation of the corporate value of sustainability, the responsibilities are rather concentrated. While all value issue and goals are in the responsibility of the strategic management, responsibility for value activities is far wider spread. The directly responsables can be internally looked up in the responsibility table of the respective project plan or location roster."

Although this statement does not give direct information concerning the entrusted personage, it refers the value recipient to sources containing this information. While this is not ideal from a transparency's point of view, as there is no guarantee the reference is still valid and up to date, it may for certain corporations become necessary in order to remain flexible enough for daily business challenges. In such a case, however, two aspects have to be reproducibly taken care of. On the one hand, access to this additional information for the entirety of value recipients is crucial. On the other hand, the un-mutability of such additional, external sources of information is of utter importance. Corporate values cannot achieve predictability, identification nor reliably name groups involved, if they merely refer to another characterization of corporate values that is mutable at any point without properly triggering the corporate value evolution steps. Hence, the immutability of all sources of corporate-value-related information, including

all referenced sources, has to be guaranteed, e.g., by publishing the information broadly in printed and thus verifiable form or do it digitally with cryptological measures in place to make unnoticed changes impossible.

Q7 Under which conditions can this corporate value be adapted against the backdrops of different working environments?

The clarification how open for interpretation and local adaptation the corporate values can be is in this case dominated by the fact that corporate sustainability is almost exclusively directed towards the part of the corporation in developing countries. As these parts are relatively homogeneous from a sustainability perspective, especially in comparison with the Swiss part of the corporation, a rather rigid approach can be formulated:

"As corporate sustainability in this case strongly focuses on sustainability in developing countries and to a large extent skips differing working environments, one can assume that working environments affected by corporate sustainability do not vary in a relevant degree. There are therefore no plans to introduce local adaptations of corporate value goals, activities or norms."

This statement clarifies that local adaptations are not necessary, since the focus of the value is quite local in the first place. While this is a valid perspective on the current situation of the corporation, this question also has a strong connection to the questions Q9 and Q10, broaching the topics of value collision and the conveyance of value motivation. Should Q9 and Q10 demonstrate, that there are local differences in motivation with regard to the value and local particularities when it comes to colliding individual or group values, local value varieties may be a way to keep the corporate values functional regardless of the location.

Q8 How is this corporate value conveyed to value recipients not yet familiar with it?

The question aims at processes and procedures in place in order to make sure value recipients who are unfamiliar with the corporate values receive the information they need and want. Naturally, the nature and volume of information varies depending on the value recipient. The identified value recipient groups and the respective method of conveyance can for example be listed in a table:

Table 14: Value Recipient Groups and Methods of Conveyance

Value Recipients	Conveyance Activity	Timeframe
Employees in Switzerland	New employees unfamiliar with the corporate values are presented with a folder containing written descriptions of the current corporate values and the last reports concerning their achievements.	One week before commencement of employment
Employees in India and Tanzania	<p>New employees unfamiliar with the corporate values take part in an information day, where the corporate modus operandi including all the employee rights and duties is explained and where possible practically displayed, depending on their role in the corporation.</p> <p>These information days are led by a local HR representative who remains reachable at the local facility in case of questions.</p>	First day of employment
General public in Switzerland	Apart from sporadically taking part in events and panel discussions concerning corporate sustainability or a multi-dimensional, value-based management approach no efforts are made to spread awareness concerning the corporate values.	Sporadically
Bordering communities in India and Tanzania	On a quarterly basis, communities in the vicinity of farmers cooperating with Remei are visited by a local HR representative in order to introduce them to Remei's approach to agriculture, processing, and sales and answer questions, if desired.	Quarterly

The statement covers the employee base in Switzerland, India and Tanzania and specifies when and how new employees are instructed. Local differences regarding familiarity with certain concepts are compensated by using different conveyance approaches in different locations. It also becomes clear due to the missing information, that the broader public in India and Tanzania is not a target for information, but rather the neighboring communities. While this might conflict with individual values, the clear statement allows for a grounded reaction in answer to the freely declared mind-set of the value declarators.

Q9 What potential collisions between individual or group values and the corporate value have been anticipated?

This question is focused on two perspectives: (1) Collisions between undeclared corporate values and declared corporate values and (2) collisions between declared corporate values and private or societal values or groups or individuals. It should therefore address both points of view, for example:

"A constant exchange of experiences among personnel managers have shown that a some employees in Switzerland are under the impression, that the declared 'respect towards humans' clashes with the undeclared value of 'wage sacrifice'. While farmers and employees in developing countries are paid wages above the local average, employees in Switzerland are not paid above the local average to the same extent. This true fact however, does in the eyes of Remei not mean that the employees in Switzerland are not respected as human beings. It rather means that from Remei's perspective people in developing countries need more support than people in Switzerland. Paying above average is on the one hand a sign of respect for their contribution to our way of land cultivation. This is also the reason why the employees in Switzerland are paid slightly above average. The relative difference in wages, however, is not based on respect for the work performed but rather an attempt to secure their livelihoods. Although this approach might face resistance, we consider it rather in line with our values to funnel more support towards poor farmers in developing countries than towards middle-income employees in Switzerland.

The decision to understand a farmer's community as his family up to the second degree of relationship is now and then cause for incomprehension. However, since the views on this topic vary from cultural group to cultural group, one fair standard satisfying all expectations is unthinkable. This is why Remei has come up with a somewhat mitigated, global standard, accepting the fact that the deviation from the respective local norm might cause incomprehension."

Realizing that potential value conflicts exists and knowing their possible reasons on the one hand shows to the value recipients that they value declarators are concerned about value conveyance. On the other hand it is an indispensable part of future refreshers for value recipients, as values tend to shift in the understanding of value recipients, when they interact with pre-existing individual values.

Q10 Which motivation is conveyed to the value implementors?

Despite the fact that a value recipient's motivation is a very complex structure that is impossible to be manipulated precisely and reliably, motivations given by value declarators can play an important role in the opinion forming process. Employers can emphasize extrinsic motivations building on peer-pressure or power gradient or they can accentuate intrinsic motivation in an attempt to overlap with individual interests and values. Naturally, these options are not exclusive and a mix of motivations can be conveyed, as long as it remains clear, which motivation is ascribed to which value implementor group.

"The main motivation conveyed to workers in India and Tanzania is self-enablement and the increase of own capabilities in the long term. 'Showing respect' and 'Securing farmers' livelihood' are in the farmers' very own interest, as they directly improve their living conditions, as does abstaining from using toxic chemicals and contributing to revenue generation."

The motivation described above is mainly intrinsic, as working their own fields knowing that they have a fair chance to pass the land on to their heirs in a usable condition or being able to prevent diseases and accidents due to better education is very much in their personal interest to achieve.

"The steps necessary to provide for the values 'Transparency' or 'CO₂ emission reduction' are set up as an extrinsic motivation based on a power gradient. The workers are informed about the positive consequences of this approach for others and partly themselves, but this is not presented as main motivation driver."

The motivation conveyed in Switzerland is differing from the ones applied in Tanzania or India. All the values improving living and working conditions of workers in developing countries do not have the same impact for the work force in Switzerland. Consequently, self-interest is not as direct of a motivation for the employees in Switzerland as it is for their colleagues in Tanzania and India. Nevertheless, the conveyed motivation is intrinsic. The value declarators expect the Swiss employees to experience it as a personal satisfaction to support such values and therefore do not offer any extrinsic motivation for them. The selection of personnel has to occur accordingly. In addition to this strong share of intrinsic motivation, an extrinsic traditional motivation is conceivable for main stream corporate values like 'Transparency' or 'CO₂ emission reduction' as in

a Swiss corporate environment it might be considered inappropriate business practice to ignore such aspects entirely, regardless of the personal convictions.

6.4.3 Control

The phase of corporate value control follows the phase of corporate value conveyance and encompasses the implementation and results of the activities supporting the value issues and value goals conveyed in the earlier phase. It ensures that the implemented corporate values are still the same corporate values that were previously generated and conveyed. Hence, the questions of this chapter focus on mechanisms designed to (1) keep the value's achievement criteria and norms in correct memory and compare them to the empirical data, and (2) ensure the context the corporate values has been created in is preserved as a delimiter for the corporate value.

Q11 Which corporate institutions are in place to stabilize and refresh this corporate value?

The question is closely related to Q08, the main difference being the point in time where corporate values are conveyed or refreshed. While Q08 addresses the initial conveyance of corporate values, Q11 covers the institutions in place to refresh and stabilize the employees' memories concerning corporate values. Both needs can be covered using one single approach or separate processes can be in place, depending on the aims and intentions of the value declarators.

Table 15: Value Recipient Groups and Frequency of Conveyance

Value Recipients	Conveyance Activity	Frequency
Employees in Switzerland	The current status of all value activities and goals is reported as town-hall presentations. This is also the place where the concept and the goals of sustainability are conveyed and the next steps for its implementation are presented. All these presentations are publicly available at the corporate website 48 hours after a presentation.	Yearly*
Employees in India and Tanzania	The concept and the goals of sustainability are conveyed at community meetings. The functional connections between these goals and the processes the workers have to follow and the norms they have to meet must be clarified and discussed. In contrast to a town	Quarterly*

Value Recipients	Conveyance Activity	Frequency
	hall presentation, a community meeting is set up as a bidirectional channel. To facilitate feedback these meetings are also used for gathering experiences, critics, proposals, etc. This input can be used for further evolution of the value or its sub-elements. Results logs of these meetings are published on the corporate website within 2 weeks.	
General public in Switzerland	A separate sustainability report is published in addition to the yearly business report. The focus of this publication is highlighting the value issues the corporation is striving for and explaining how these issues are in direct and/or indirect connection the activities abroad and the value of sustainability in Switzerland.	Yearly
Bordering communities in India and Tanzania	The communities bordering the production and processing areas are targets of specific campaigns. Beyond the information also provided to the global public, the aim of this campaign is to assemble and understand the capabilities and circumstances of these communities and work with them to overcome obstacles keeping them from joining agriculture along the lines of Remei.	Quarterly

Parallel to the answers given to question Q8, the value declarators address their identified groups of addressees. Again different approaches are chosen for different locations, while some addressees like the public in India and Tanzania are excluded. However, this time there are also different frequencies added to the mix, revealing a different approach for Switzerland and the two producing countries. All this information provides additional orientation to the value recipients concerning the quality and specificity of the future value implementation.

Q12 What norms are in place to indicate value transgression or achievement?

Since the corporate value of sustainability consists of several sub-values its achievement will not be measured based on a single norm but will rather be determined using different norms expressing respect towards humans, livelihood standard, business continuity, and ecological footprint.

Table 16: Norms Measuring Achievement

Value to be achieved	Norm
Respect towards humans	<p>Since respects is subjectively perceived, it is also subjectively measured. A survey consisting of the following questions is performed among employees in the producing countries:</p> <ol style="list-style-type: none"> 1) Are you treated by your employer in the way you would treat your workers? (much better / better / same / worse / much worse) – Please explain! 2) Would you recommend the job to a family members? (absolutely / probably / undecided / probably not / absolutely not) – Please explain! 3) Do you feel that your concerns and suggestions are acted upon by your employer? (absolutely / partly / undecided / rather not / absolutely not) – Please explain! <p>The norm is considered fulfilled when there is more positive feedback than negative one in all three questions. Neutral feedback is not counted.</p>
Securing farmers' livelihoods	<p>Livelihood is appraised using a list of self-assembled criteria and the ranking daily / several times a week / several times a month / seldom / not at all:</p> <ol style="list-style-type: none"> 1) How often a week can you provide enough food for your family? 2) How often a week do you have access to sanitary installations and potable water? 3) How often a year do you have financial surplus at your disposal? 4) How often a year do you have access to medical care? 5) How many of your children have access to school education? 6) How often a week is violence part of your family or social life? <p>The norm is considered fulfilled if the following threshold are met: 1) $x > 6$, 2) $x > 6$, 3) $x > 3$, 4) $x > 5$, 5) $x > 80\%$, 6) $x < 3$</p>
Business continuity	<p>The value of business continuity is seen as a mix between the loyalty of the employees and customers, financial operating figures, and product quality. Conse-</p>

Value to be achieved	Norm
	<p>quently, the following norms are used to depict it:</p> <ol style="list-style-type: none"> 1) A yearly online customer satisfaction survey appraising the satisfaction regarding product quality, customer service, and value added by corporate values. The target value is 75% satisfied or more in all three categories. 2) A yearly employee satisfaction survey including all employees assessing their general job satisfaction, the relationship with their superiors and whether they plan to work for the corporation in one year's time. The target value is 66% satisfied or more in all three categories. 3) As financial indicators, a target equity ratio of 66%, a positive yearly operating profit and positive surface growth rates.
Ecological footprint	<p>The ecological footprint is perceived as a sum of all material emissions created during the entire product chain and is therefore measured using the following indicators:</p> <ol style="list-style-type: none"> 1) 90% of the waste water from the product processing steps like pre-treatment, dyeing, printing, and finishing are either recycled (through bio-degradation, coagulation-flocculation, reverse osmosis, and nano-filtration). 2) CO₂ emission are entirely eliminated across the entire production process. 3) Volatile toxic emissions are reduced at least 10% in comparison to the previous year.

The productivity and meaningfulness of norms can in their entire scope and to their last consequence only be grasped by experts and even among them differing perspectives, interpretations and ideologies might still prevail. For value recipients they nevertheless have an importance orientation function. On the hand, many value recipients will form an opinion when confronted with value norms, even if it's only an instinctive one. On the other hand, public figures or organizations can act as persons of trust when propagating norms, thereby offering a possibility of value identification even though the value recipient has no own, inner norm to match the corporate value norm and its fulfillment against.

Q13 How are these norms measured and published?

How and by whom norms are measured heavily impacts the credibility of the reported results and the entire reporting setup. What is measured has been declared in Q12. Q13 reveals the actors doing the measurements and their timetables. As there is no ideal solution, the value declarators have to rely on the impression their norm measurement plan makes on the value recipients.

All norm reports for measuring the achievement of the corporate value of sustainability are collected at least once a year. Apart from the financial operating figures, which are assembled by the company's Swiss-based external auditor, all figures are accumulated by an external UK-based survey provider. While data for all questions is available it is anonymized by the survey provider and summarized by location to ensure no conclusions aiming at one single individual or family can be drawn based on the survey data. Two weeks after Remei has received the survey data from the survey provider, it is entirely published on the Remei website in a commented form together with the two previous reports.

Provided that both the external auditor and the survey provider are named and that information about them, their background, their own corporate values, etc. is publicly available, value recipients can get an impression of how the results are assembled. The fact that all assembled results are published half a month after the corporation receives them itself and that the results are accompanied by comments, suggest a high degree of transparency and accountability towards the value recipients.

Q14 Is this corporate value pursued from of a point of view informed by duty-ethics or consequentialism?

This question helps to determine whether the corporation with this corporate value aims for the long-term goal in the distance, allowing for some leeway on the way there as long as the long-term results are not endangered or whether the regulation is meant to dictate every step with no exceptions made, no matter the long-term consequences.

All current and planned actions aiming to support our corporate sustainability are seen as driving the corporation towards the unreachable goal of sustainability. Therefore, virtually all measures supporting the consequence of sustainability in the long run are deemed acceptable, as long as they respect all current laws and the declaration of human rights. Even violations of other corporate values might be acceptable, as long as a written explanation makes clear how a temporary disregard of sustainability in a

certain aspect leads to a better overall situation of corporate sustainability. The appreciations of corporate values against each other has to be performed by the value declarators referring to the interplay of corporate values.

This statement grants the two factors (1) human rights, and (2) compliance with current laws a special, duty-ethical status, not allowing for any deviation or exception in these respects. Apart from this explicit exceptions, the long-term goal of being a sustainable a corporation as possible is the guiding star for every corporate activity, even excelling other corporate values trying to confine sustainability to their own advantage. This interplay of values has to be addressed separately in chapter 6.5 in detail, but it already demonstrates the special status the value of corporate sustainability has in this organization.

Q15 What are the presuppositions made for this corporate value?

Many terms used by value declarators have a broader semantic field than what is being used in everyday work. Such consciously or unconsciously overlooked ambiguities can lead to far-reaching misunderstandings, affronting value recipients and possibly simultaneously shocking the value declarators, when they have possibly not considered that somebody might interpret their terms differently.

Supported Communities

A supported community consists of the small farmers and their family members up to the second degree of relationship living in the same area as the contracted farmers themselves.

Small farmer

A small farmer is a farmer, which has a contractual relationship with Remei regarding his crop yield and does not cultivate more than 10 acres of land.

Sustainable Livelihood

A livelihood is considered sustainable when it satisfies the corporate values underlying the corporate concept of sustainability when applied to an individual.

Ecological Quality During Production

The elements of ecological quality during production are: emissions to the air, soil or water, hazards for employees, and use of resources. Special emphasis is given to the monitoring and tracking of Carbon-dioxide.

Improvement on Health, Education and Agricultural Infrastructure

The goals of these improvement efforts for supported communities are: No infectious diseases, emergency response setup for accidents, children's literacy rate and school attendance rate of 90%, abundantly clean water, fertile soils, accessible roads, means of transportation and GMO-free, resilient, and fruitful seeds.

Respectable Working Conditions

The perspective on working conditions and the dignity or respect connected with them are very dependent on cultural and social circumstances. Consequently, there is no interpersonal definition of respectable working conditions. Hence, the working conditions considered to be dignified are determined by the value declarators the BioRe social criteria and the SA8000 standard. To avoid being involved in local power struggles no positions will be reserved for a certain social or ethical group and no ethnic or cultural ratios will be implemented.

Business Continuity

Continuity of business is endangered when the continuation of the entirety of the corporations operations on a normal level for at least 12 months becomes questionable. This situation might occur due to financial squeezes, loss of customer trust, loss of employee trust, brain-drain, a limited or absent ability to produce and deliver, etc.

Due to their nature, lists of presuppositions are rarely comprehensive as there is a virtually endless reserve of terms to discuss and determine. The choice of terms, apparently deemed to be relevant and/or mistakable, reflects the self-perceived characteristics of the virtual corporate agent. In the example above, these are the beneficiaries (supported communities, small farmers) and the goals to be reached. Q15 can naturally contain various other, heterogeneous elements e.g., business partners, tools and procedures, or time frames. Because of this unconfined character, Q15 does not only provide information to value recipients by providing additional information to selected terms. Part of the information to the value recipient is contained in the selection of terms itself.

6.4.4 Evolution

Values — whether individual or corporate ones — are expected to display a high degree of stability, in order to fulfill their social function. On the other hand, contexts change, knowledge advances, the virtual corporate agent might change its character;

all causes for corporate values to be adapted to new circumstances or – in one word – evolved. In the context of values, change is always a potential source for uncertainty, loss of trust, and debate. As a consequence, they have to be accompanied by plausible justifications in order to restore an understanding of the planned behavior (predictability), the motivation and goals of this behavior (identification), and finally the entities involved in it (involved groups). The questions Q16 to Q18 address the need to understand the quality of the corporate value evolution, shedding light on motivation (Q16), impacts on goals and means (Q17), and a general characterization of the value evolution (Q18). The two remaining questions focus on possibilities for value recipient feedback from the internal and the external perspective.

While declared corporate values were sufficient for the other phases, evolution needs change from an old to a new state. For this example, a change that took place between May 8, 2014 and January 23, 2015 on Remei's webpage will be used. Using Wayback Machine (Internet Archive 2016) to trace the changes made on Remei's bioRe Philosophy webpage between these two dates, the change from listing 'Innovation' as the last principle to listing 'CO₂-neutral textiles' instead. As there is no official, public documentation of the background of this value evolution, again synthetic statements are used to illustrate the characterization of a corporate value evolution.

Q16 What is the cause for the evolution of the corporate value?

This question identifies the reasons a value evolution was decided by the value declarators. This identification takes place of two levels: The first level describes the reasons why the current state is considered imperfect, although the value declarators must have supported the exact same corporate value some time ago, listing value strains, aspirational strains, deprivation strains, and coping strains as possible categories. The second level scrutinizes what lead to a different view on the corporate values and subsequently to the realization, that the newly perceived imperfection has to be corrected. The two principle options offered are a change in self-awareness or in contrast to it a change in self-conception.

Innovation is an important value for our corporation to strive for. However, we decided to reduce the broadness of our aim and focus on innovation in relation with the reduction of CO₂-emissions. This does not make this innovation more valuable than others, but focusing on one aspect brings more noticeable progress, which in turn increases the motivation for the next step of innovation, whatever it might be.

The value declarators do not perceive this decision to be a change of the approach followed so far, but rather a different temporal sequence of the same idea. Not different things will be done, but things will be done in different sequence, less in a parallel approach than originally hoped for.

With this value evolution statement in mind, the value recipients know that the strain leading to this decision was aspirational. The value declarators did not change their self-conception, they rather realized that they could reach their goal of innovation in a more efficient and effective way if they concentrate on single aspects of the broad possibilities for innovation. The same reaction of the virtual corporate agent could have been triggered by a change in self-conception in combination with a coping strain. While the actions triggered by the value evolution would still be the same, they would be motivated differently and striving for another goal, thereby exerting a different social function.

Q17 Is the goal or the means of the corporate value affected and what is the background of this change?

Question 17 clarifies the subject of evolution of a corporate value and thereby its background. This question clarifies whether the goals or the means to achieve the goals have been subject to change and how the new, changed element fits into the existing pattern of the others.

The goal to be an innovative corporation implementing modern solutions remains unchanged. The means to reach this goal, however, will be reduced from using several different approaches to using one single method before turning towards all the others. The concentration on one innovation step at a time allows for a more efficient and more satisfying progress through concentration of efforts. While an absolutely open approach guarantees a broad field of action, it also ensures slow progress of the individual initiatives. The value declarators have therefore concluded to abandon this approach for a more concentrated manner.

The statement clarifies that means have been adapted but the goal of corporate innovation remains. For value recipients this information means that the dedication of the virtual corporate agent towards the declared goal is unchanged, at least when it comes to its direction. However, since each journey does not only have a direction but also a speed of travel, the question inevitably arises, whether the speed and energy the goal is being pursued with is affected by the change.

Q18 How is the evolution of the corporate value characterized?

In combination with Q16 and Q17, this question generally characterizes the quality of the value evolution. While Q16 addresses the cause having triggered the value evolution and Q17 aims to shed light on what is subject to evolution, Q18 rather approaches the evolution from a descriptive perspective, not trying to portray intention or subject but rather the effect for value recipients: de-evolution of a value, change of scope or priority, attunement of a value towards another, or information enrichment.

The decision to focus our efforts on innovation directed towards CO₂-free textiles can be seen as a change of scope, as the scope formerly covering all innovations has now been reduced to innovations related to CO₂. However, we rather perceive it to be a change of priority. All the innovative ideas besides CO₂-free textiles are not lost due to the concentration on one topic now. They are merely postponed to the moment, when the innovation priorities are re-determined.

While there are clues in the answer to Q16 pointing out the expected effects of this value evolution, an aspirational change could also result in changes of scope or reactive changes related to a completely different value. Having all three statements of Q17, Q18, and Q19 concerning the cause, the intention and the effect combined covers the entire process of an evolution and informs the value recipients that keeps the corporate value functional.

Q19 Which corporate institutions are in place for internal value recipients to give feedback regarding this corporate value?

Feedback after the evolution of a corporate value is indispensable to get an impression of the consequences the evolution has in the eyes of the internal value recipients. As criticism against the employer can be a risk in some corporate cultures or can at least be perceived as one, it is a widespread obstacle, which has to be overcome in order to learn the valuable internal feedback. Consequently, the answer to Q19 cannot only consist of a list of institutions, but inevitably has to address the measures taken against skepticism and fear of the internal value recipients. Failing to do so would compromise the quality of their feedback and thereby the value declarators' ability to react and prevent unnecessary risk of conflict and resistance as a consequence of unmediated conflict between corporate group values and the virtual corporate agent's values.

Naturally this makes the mechanism used to gather the feedback become the focus of attention. On the one hand the degree of anonymity reached is important to facilitate

open, honest feedback, on the other hand would total anonymity prevent proper legitimation of the individual giving feedback. After all, only internal value recipients are asked to provide feedback based on their knowledge background as active parts of the corporation.

Internal feedback is handled the same way in all corporate branches. The employees are asked to provide feedback whenever value evolutions take place, but they are welcome to do so whenever they see the need for it.

Feedback can either be given using a pre-printed form or as a free-text letter. No name or identification is asked for the feedback submission. To ensure anonymity, a sealed letterbox has been installed in all corporate restrooms. Using the privacy of the restroom, feedback can be deposited anonymously. To prevent or at least complicate unsolicited feedback, envelopes specifically labeled for feedback but not individually marked are sent out to employees with their salary statement.

Feedback is collected and evaluated on a monthly basis. For this purpose, the feedback is first discussed among the local management, and each submission is countered with either an explanation why the corporation is not going to react to the feedback or an explanation when and how the reaction will take place. This commented list is subsequently published for the employees in the local branch and sent to the executive management for further evaluation and documentation.

The approach to collect internal feedback is explained and the question of how to facilitate anonymity and at the same time preserve legitimacy are addressed in the corporate statement to Q19. Whether the value recipients appreciate these measures, trust the integrity of the feedback envelopes sent out on a monthly basis, or approve the fact that they can only address the local management, are not in the scope of Q19, as this question merely characterizes the feedback institutions and not the feedback itself.

Q20 Which corporate institutions are in place for external value recipients to receive other value recipients' view on this corporate value?

Q20 is quite similar to Q19 with the difference of addressing external value recipients. This difference in audience brings new facilitations but also challenges. The topic of repercussions is usually not as pressing as external value recipients don't happen to be as dependent on the corporation being criticized as internal value recipients. At the same time, this non-attachment of external value recipients can lead to unrealistic or

even unproductive expectations based on lacking knowledge concerning the corporate context. Finding a compromise between excluding the public and being at their mercy is the challenge the corporate value declarators have to meet.

For feedback by external value recipients different approaches have been taken in Switzerland and in the producing countries India and Tanzania. In Switzerland a web-based platform is used to collect external feedback. The feedback is collected and presented to the local management on a quarterly basis. All submissions are discussed and where applicable a corporate reaction is defined. Selected submissions are published together with the defined corporate reaction. In the producing countries a web-based platform is considered too high an entry threshold. Therefore, external feedback is either collected using a public letterbox or oral feedback can be given to the gate personnel. Written and oral feedback is collected and discussed by the local management on a quarterly basis. All submissions are discussed and where applicable a corporate reaction is defined.

Q20 states how public feedback is handled across the three different countries. It clearly states how feedback is collected and processed. As criteria for the appropriateness of discussing feedback are missing, the value recipients can safely assume that there are none and the decision is made situationally if not indiscriminately. While such an approach has its managerial advantages, it also bears the risk of loss of confidence. Additional, pre-existing trust is necessary to bridge the gap left behind by the failing condition of predictability, making it much harder for value recipients to see all three functional conditions of a corporate value fulfilled.

Answering the twenty questions throughout the four sub-chapters provides the information to characterize the middle layer of corporation's values. This gives value recipients data regarding each individual corporate value reflecting corporate sustainability, however the interplay among these corporate values remains to be clarified.

6.5 Sustainability Value Interplay

The corporate value of sustainability can by nature be a broad one, spanning three dimensions (cf. chapter 6.2). Due to its characteristics, sustainability itself has to operate with interfering interests and conflicting targets. Based on the corporate value of sustainability used in the chapters 6.3 and 6.4, this chapter is exemplifying the discussion concerning corporate value interplay. Taking advantage of the complexity and

broadness of the corporate value sustainability, value interplay is not demonstrated by discussing the interplay of two arbitrary corporate values, but rather the interplay of two corporate values who are both parts of the corporate understanding of sustainability and nevertheless interplaying like any other two values could. This approach has the advantage of not only being able to perform a value interplay but also to illustrate the complexity and seeming inconsistency of corporate sustainability. Since the classic argument against corporate sustainability is the objection that environmental or social sustainability undermines the genuine goal of a corporation, which is profits, this value interplay is laid out between the corporate values 'Generate revenue to guarantee business continuity' and 'Show respect towards humans'. In a first step, the goal of both values are listed and analyzed for target similarities and contradictions.

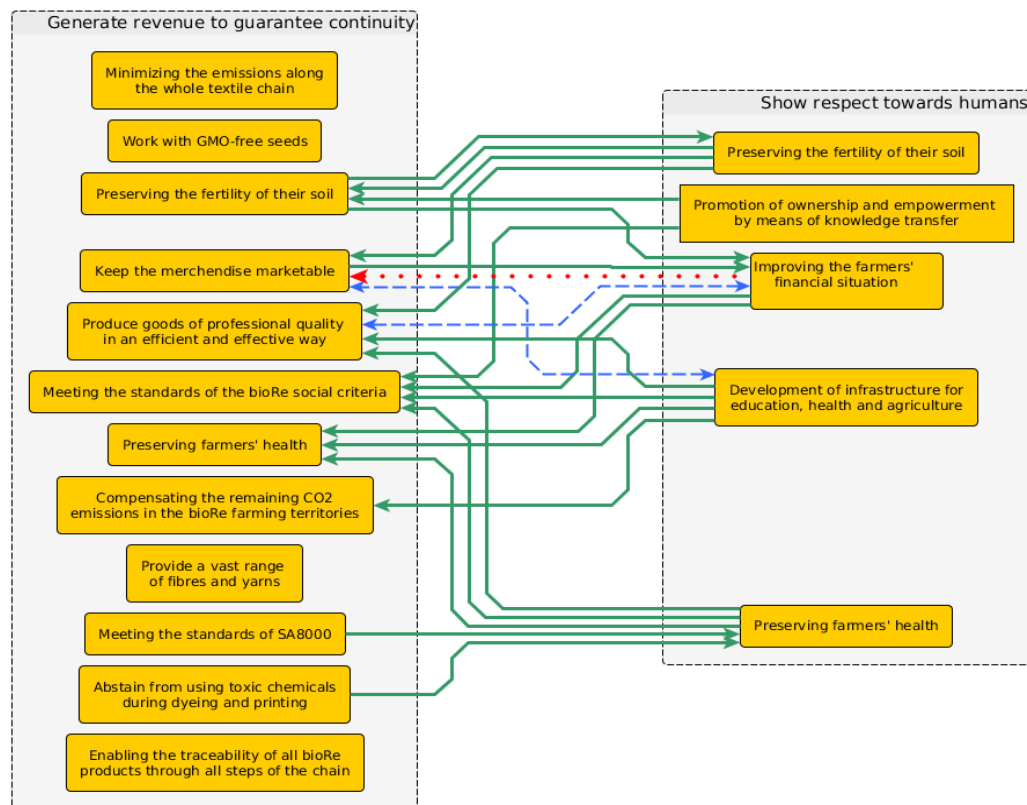


Illustration 31: Value Interplay (illustration by author)

This gives an idea where the two value connect or overlap and thus where their interplay has to be expected to happen and hence where it has to be determined in order to ensure the involved corporate values' functionality as discussed in chapter 3.1.

The implementation of the value 'Show respect towards humans' comprises seven value goals divided into two groups, one focusing on working conditions, the other on

self-determined livelihood. The implementation of the value 'Generate revenue to guarantee business continuity' is divided into five groups, addressing self-determined livelihood, reducing CO₂ emissions, business continuity, ecological quality and finally respectable working conditions, summing up a total of 12 corporate value goals. To analyze the interplay of the two corporate values their goals are laid out and their interrelations are categorized and commented as discussed in chapter 4.3.

Table 17: Value Interplay

Show respect towards humans	Generate revenue to guarantee continuity	Interrelation	Interrelation Comments
Preserving the fertility of their soil	Preserving the fertility of their soil	Amplifying	Shared value goal
Preserving the fertility of their soil	Produce goods of professional quality in an efficient and effective way	Amplifying	Better soils are able to produce better quality products with lower effort
Preserving the fertility of their soil	Keep the merchandise marketable	Amplifying	With better quality and lower effort products are much more marketable.
Promotion of ownership and empowerment by means of knowledge transfer	Preserving the fertility of their soil	Amplifying	Sparing and gentle handling of plants and soil are based on knowledge and training.
Promotion of ownership and empowerment by means of knowledge transfer	Meeting the standards of the bioRe social criteria	Amplifying	Meeting the standards of the bioRe social criteria presupposes transfer of knowledge and empowerment.
Development of infrastructure for education, health and agriculture	Produce goods of professional quality in an efficient and effective way	Amplifying	Professional quality, efficiency and effectiveness all base on educated, healthy individuals working in a modern agricultural surrounding.

Show respect towards humans	Generate revenue to guarantee continuity	Interrelation	Interrelation Comments
Development of infrastructure for education, health and agriculture	Compensating the remaining CO ₂ emissions in the bioRe farming territories	Amplifying	CO ₂ emissions not directly caused by agriculture can only be lowered with new infrastructure also present in the belts surrounding agricultural areas.
Development of infrastructure for education, health and agriculture	Keep the merchandise marketable	Balanced	Modern infrastructure on and besides the field is the basis for efficient, sparing products and effective, gentle working processes. However, costs have to be controlled to protect long-term interests. As a guide value, 15% of the yearly gross profit can be invested in infrastructure projects.
Development of infrastructure for education, health and agriculture	Meeting the standards of the bioRe social criteria	Amplifying	Investing into education, health and the future of the local population is a major concern when bringing the bioRe criteria to life.
Development of infrastructure for education, health and agriculture	Preserving farmers' health	Amplifying	Development in education and health situation have a tremendous influence on human health.
Improving the farmers' financial situation	Produce goods of professional quality in an efficient and effective way	Balanced	A better financial situation for farmers means a higher reliability and planability for the employer. At the same time, higher costs lower efficiency. Hence, a balance is found between them using the bioRe standards as a guideline.

Show respect towards humans	Generate revenue to guarantee continuity	Interrelation	Interrelation Comments
Improving the farmers' financial situation	Keep the merchandise marketable	Impairing	The higher costs caused by respecting bioRe standards lower the products' marketability. This loss risk is identified and accepted.
Improving the farmers' financial situation	Meeting the standards of the bioRe social criteria	Amplifying	In accordance with bioRe standards, the market price plus a 15% bonus is paid for bio cotton.
Improving the farmers' financial situation	Preserving farmers' health	Amplifying	A more reliable financial situation is important to the farmers for being able to react to sickness and injury.
Preserving farmers' health	Preserving farmers' health	Amplifying	Shared value goal
Preserving farmers' health	Produce goods of professional quality in an efficient and effective way	Amplifying	Healthy employees lower costs and improve productivity
Preserving farmers' health	Meeting the standards of the bioRe social criteria	Amplifying	Supporting the rural population by helping to provide access to clean water, by keeping dangerous substances out of the production process, by providing mobile help units, or by giving people access to new stoves and ovens is an important part of the bioRe standards.

Table 18: Value Interplay II

Generate revenue to guarantee continuity	Show respect towards humans	Interrelation	Interrelation Comments
Preserving the fertility of their soil	Preserving the fertility of their soil	Amplifying	Shared value goal
Preserving the fertility of their soil	Preserving farmers' health	Amplifying	Fertile soils not only provide regular income but also can be a direct source of nutrition.
Preserving the fertility of their soil	Improving the farmers' financial situation	Amplifying	Fertile soils can provide regular income
Preserving farmers' health	Preserving farmers' health	Amplifying	Shared value goal

The table above can and should be analyzed using the perspective of logic to find interrelations that clearly cannot be real. The logical analysis, however, as important as it might be as a first step, is not the main perspective on the value interrelation table. Rather, the main social function of this table is a public interpretation of the entirety of corporate values by value declarators. While corporate values amplifying other corporate values are important for a consistent virtual corporate agent, it is the balanced and impaired value interrelations expressing the very individual weightings of corporate values distinctive for this particular virtual corporate agent. Corporate values containing numerous balancing or impairing interrelations are not per se more functional than others, but they are more distinctive than others. Interrelations among highly socially functional corporate values combine logical correctness and completeness, making the statements consistent and relevant in a common life-world (Schütz 1962, 1971; Schütz and Luckmann 1973), and a high degree of balancing or impairing interrelations, making the virtual corporate agent reflect the real-world complexity and therefore earn real-world trust.

6.6 Discussion

Chapter 6 reconstructs the corporate value of sustainability, based on publicly available information concerning an exemplary corporation. Personal interpretation plays a crucial part in this particular reconstruction in order to fill in the blanks created by missing, ambiguous or incomplete information, revealing the main difficulty this framework is designed to tackle. Ambiguity of goals and activities, interpretability of values, unde-

defined terms, vague or missing role descriptions, or uncommented value interplay result in virtually dysfunctional corporate values.

That a corporation is awarded a sustainability reward without mentioning sustainability as a corporate value is symptomatic for the current, problematic state of expectations towards corporate values. They have meanwhile been accepted to be potentially disconnected from corporate behavior and thus not reliably functional nor validatable. Furthermore, value recipients have largely accepted their role as personal interpreter of corporate values, thereby also accepting missing corporate accountability, as the value interpretation performed by random individuals has no binding character for the corporation. Therefore, while most value recipients will get an intuitive understanding of how sustainability influences and impacts the exemplary corporation, such an individual personality-based understanding of a corporate value is of very little social use. While the intuition of an individual having grown up as a part of a society is surely heavily influenced by societal values and norms, it is not absolutely synchronized with the intuition of the remaining society members. There are hidden assumptions based on personal experience in play, and even without individual interpretation, to assume that all recipients act as perfectly rational agents during this interpretation, is a daring bet. Therefore, today's accepted and in this case rewarded form of corporate values is not living up to their potential when it comes to an individual-spanning, consistent understanding of corporate values. However, for enabling the core functionality of corporate values, such a consistent understanding is vital. It consists of the interpersonal communication of what the virtual agent is doing, what his motivation and scope are, and what personnel is a disposition to reach the goal. Whether this communication turns out to be truthful or not, it is not part of the corporate values' functionality; however, the fact that truthfulness can be inquired at a later point in time at all, is.

As corporate sustainability is not a formulated value at the exemplary corporation, corporate values representing corporate sustainability have to be identified. By analyzing these corporate values in a structure of issues, goals and activities, a first interpretation of the formulated corporate values can be made (see 29), filling some information gaps the originally formulated corporate values are suffering from. At this point no information concerning individual values has been added or removed, but the formulated corporate values have been depicted in a common structure and in relation to each other. How they actually relate to each other in the original value declarators' view is unknown since unrecorded. Hence, assumptions have to be made, not only by the

author of this dissertation but by every value recipient when mentally reconstructing the value relations. Moreover, due to the sheer endless possibilities of re-combinations of elements such as value issues, goals, or activities the probability of congruent mental reconstructions across several individuals is vanishingly small and the corporate values consequently socially nearly dysfunctional.

In the next step of the reconstruction, further information related to the corporate values is introduced by including public corporate statements not made in a corporate values' context, however still highly relevant to the understanding and hence the implementation of corporate values (see 30). These preparatory steps are the first analytic steps, compiling all information relevant with regard to corporate values that is not already written down in the corporate value statements. They are the foundation of a structured, methodized approach towards including missing information into corporate values in order to ensure their social functionality. After the information enrichment step, corporate values are ready to be examined across all four phases of a corporate value. This analysis allows for a deeper understanding of the corporation's own perspective on its values, structured and enriched with statements from other corporate documents, broaching the aspects discussed below.

The questions Q1 and Q2 focus on the ideological part of the corporate value sustainability, disclosing what issues the value declarators consider to be important enough to be promoted per se, with no functional goal conferring further importance, and why. The adapted statement makes clear that in this particular case sustainability is primarily aimed at developing countries hosting the production facilities and at the farmers and their close families. Outside of these countries, corporate sustainability is limited to little more than transparency and human rights. While all dimensions are being listed as part of the sustainability concept, value recipients learn about a special focus on reduction of CO₂ emission, due to its role as publicly promoted and widely accepted indicator for climate change. The justification of the significance of this perspective is given on a functional level, citing reasons like target audience, productive workforce, stable crops on the long-term, or public relations. In addition to these reasons that could also be cited from a business studies textbook, the adapted statement additionally includes an ideological part, setting this particular virtual corporate agent apart from all others by naming underlying human motivators like the feeling of responsibility for employees, farmland, flora, fauna, and the corporation's customers. While these chapters provide no information to value recipients regarding what shall be done or by

whom, they draw an ideological picture of the virtual corporate agent. Identification with this picture can only be assumed if the corporate activities do not thwart this presentation of self and if they are able to establish a stable, long-term match with the value recipients beliefs. Question Q3 formally clarifies the identities of the value declarators offering the value recipients the possibility to learn more about them and ground their identification or non-identification on a broad factual basis. Question Q4 for the first time broaches a functional perspective on corporate values, illustrating the goals motivated by corporate values by linking them with corporate value issues and the respective achievement criteria. This provides value recipients with the opportunity for a first consistency check, as an objectively functional connection between the promoted value issues and value goals should be inter-personally conceivable. The same reasoning goes for question Q5, as it repeats the performance of question Q4 on a lower level, connecting activities and value goals in an objectively functional way, again allowing for a dispassionate, inter-personally conceivable check of coherency.

The questions Q6 to Q8 turn the attention from the characterization of corporate values to the different roles and responsibilities involved, the adaptability of corporate values, the mode of conveyance, and finally potential collisions with other values after conveyance. In this case, question Q6 reveals that while the responsables for corporate values on the conceptual level are open to the public, the ones entrusted with the implementation of these concepts are not. Whether this violates the right of the value recipients to know who is responsible or protects the privacy of a low-hierarchy employee is in the eye of the beholder and for each value recipient to decide. The function of a broadly characterized corporate value is merely to render such a decision possible in the first place. Equally, question Q7 reveals that no local adaptations of the corporate values are tolerated, due to the homogeneous structure of the affected people. The decision to look upon this as an inflexible setup or an uncorrupted approach is part of the value recipient's role, as it is with question Q8, which clarifies the value conveyance procedures for different locations and audiences.

Question Q9 brings up the topic of potential value conflicts. In contrast to the three previous questions, question Q9 does not put a managerial decision out for value recipients to take note of and evaluate, but rather lists value declarators' concerns about already existing value systems conflicting with the corporate one. This perspective does not only allow the value recipients to take note of the described potential conflicts and decide what side they take. It also requires the attentive value recipient, in the present

case, to decide whether a potential wage conflict between Swiss employees and the employees in the developing countries or disputes due to differing cultural views of family relations is realistic and acceptable. Furthermore, the question concerning missed potential value conflicts arise and additionally increases the broadness of question Q9. The questions Q10 and Q11 are in turn rather classic informational questions with no aspect of logical triangulation. The answers to these questions inform value recipients that employees in developing and non-developing countries are not required to evolve the same motivation for the corporate values as well as when and how the public and the employees of which region are informed.

It is with question Q12 to Q15 that the nature of the corporate values is re-addressed. The indicators used to distinguish success from failure (question Q12) and the methods used for norm measurement and the proceedings for their publication (question Q13) have a decisive influence on the practicability and impact of corporate measures. In this example, it might be of interest to certain value recipients, how respect towards humans or a secure livelihood is measured, what steps are taken to protect the privacy of the surveyed, or that there is a two week delay between the release of the survey results to Remei and the commented publication to its value recipients. The questions Q14 and Q15 bring light to the value declarators' *weltanschauung* by exposing whether rules and regulations are seen from a duty-ethics or a consequentialistic point of view and what pre-assumptions are forming the value declarators' view on reality. The fact that deviations from the rules are tolerated as long as they serve the long-term goal of the corporate values depict a corporation with an emphasis on self-responsibility and understanding the corporate values' general direction rather than verbatim implementation. Comparably, every single characterization given as an answer to question Q15 lets value recipients better understand where the formulations depicting corporate values come from and what their semantic field looks like.

The question Q16 to Q20 broach the topic of value evolution. While the last two questions bring up the topic of feedback collection and communication, the answers to the questions Q16 to Q18 focus on characterizing different aspects of a corporate value evolution. In the example used to illustrate corporate value evolution, question Q16 reveals the background of the ongoing value evolution, in this case the concentration of innovation power to CO₂-reduction in order to faster achieve graspable results. This implies that the goal of the related corporate value has not changed, but the means to reach this goal have been restricted to CO₂-related matters, as described in

the answer to question Q17. As the final part of the evolution's characterization, question Q18 classifies the value change, in this case as a change of priority, thereby clearly stating that this is not a fundamental change of direction but merely a temporal emphasis of the CO₂ aspect of innovation. Finally, Q19 and Q20 bring up the questions concerning feedback mechanisms for internal and external value recipients, revealing the corporation's approach in regard to submission methods, protection of anonymity, prevention of false feedback, transparent reaction to feedback, etc.

In the second part of the reconstruction, the interplay between two values pertaining to the corporate understanding of sustainability does not focus on the understanding of individual corporate values and their detailed features, as the first part did. Rather, it confronts two corporate values and their values goals with each other and highlights the value interplay of the amplifying, balancing, or impairing kind. The following illustration is but one of numerous possible visualization approaches.

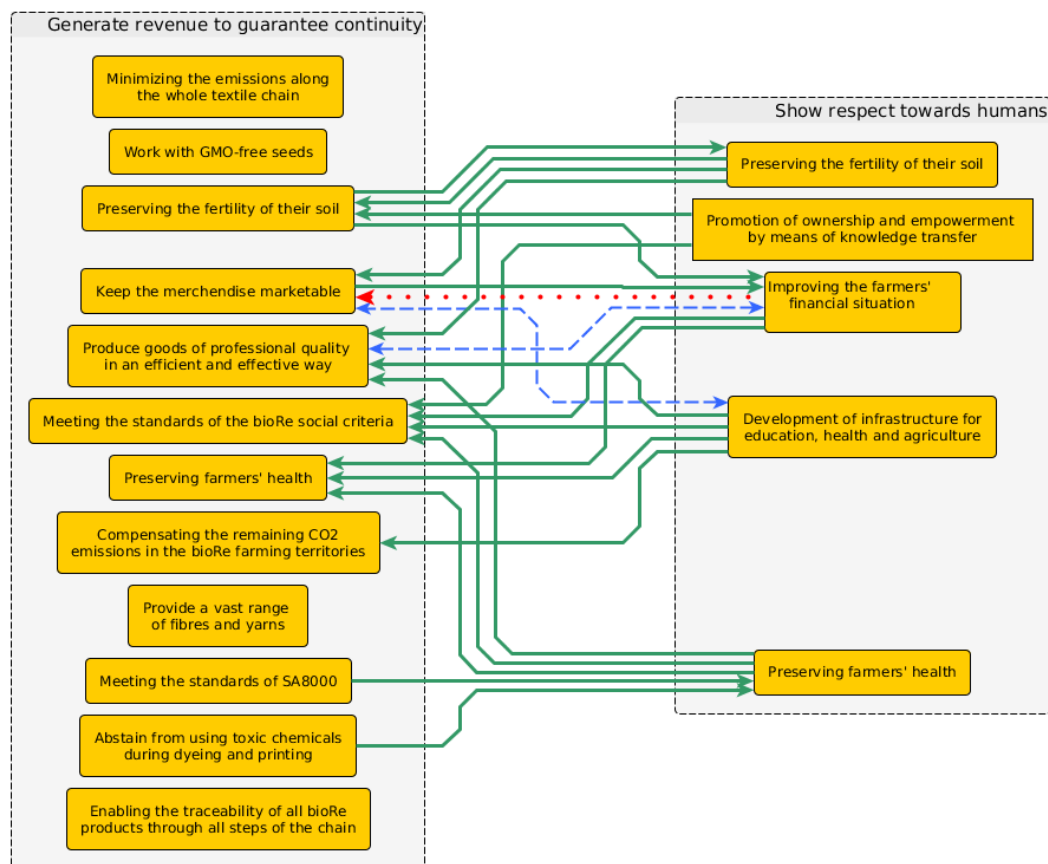


Illustration 32: Value Interplay II (illustration by author)

Amplifying interplay is marked with a continuous green line, leading from the amplifying value goal to the one being amplified, e.g., 'preserving fertility of their soil' amplifying 'improving the farmers' financial situation'. Matching value goals in the two values

being analyzed for value interplay are therefore always connected with reciprocal amplifying lines, as they share the same goals, e.g., 'preserving fertility of their soil'. While amplifying interplay does not require any prioritization but merely a justification of the proclaimed amplifying interplay, balancing or impairing interplay call for a directive decision prioritizing one of the value goals over the other in the case of an impairing interplay or implement a regulated way of balancing the usage of the same resource by several value goals.

In this example, the interplay between 'produce goods of professional quality in an efficient and effective way' and 'improving the farmers' financial situation' illustrates such a balanced relationship. None of the values is seen as superior to the other, hence a compromise is found according to the nature of their relationship. In this case, the farmers' financial compensation is limited through the bioRe standards and guidelines, while the efficient and effective production is restricted to what the financial compensations allow for. The impairing interplay between the value goals 'improving the farmers' financial situation' and 'keep the merchandise marketable' on the other hands is not a reciprocal one, where both value goals experience restrictions. Rather, the financial restrictions to product marketability – caused by higher costs due to the effort necessary for respecting bioRe standards – are accepted as limiting factor. It is essential to notice that while the effort for the value goal 'improving the farmers' financial situation' is well limited, this limitation does not stem from the interplaying value goal. In this example, it is rather the guidelines of bioRe limiting the value goal, which in turn is responsible for the impairing character of the value interplay.

In chapter 5.5 the aspects of predictability, identification and groups involved are discussed with regard to their depiction in the framework to establish its utility. A comparison even of the already interpreted, original corporate values sketched out in illustration 29 with the examples reconstructed in chapters 6.3, 6.4, and 6.5 demonstrates the increased information-density and therefore functionality added by applying the corporate value framework developed in this dissertation.

7 Overall Contribution and Outlook

This dissertation broaches the topics of corporate values, their social functions, the differences in comparison to human or social values, and finally the pre-requirements for socially functional corporate values. Historically, the social function of corporate values has played an important role in the beginnings of the industrialization and the era of the sole or low-number proprietors. It has, however, lost relevance in the course of replacing management by the owners with management by hired managers. The concepts of corporate sustainability and corporate social responsibility have eventually revived the importance of corporate values as underlying motivation for responsible and sustainable actions.

Yet, as laid out in chapter 1, due to lacking standards regarding the structural conceptualization of corporate values, each corporation can and has to set up own views on the structural requirements towards corporate values, on minimal descriptive standards for those requirements or on a threshold identifying a successful implementation of a corporate value. Because of the lacking standards, comparability between different corporations or even between different corporate values becomes volatile and hence unreliable. Corporate values could for example allow a threshold for value fulfillment lowered to such an extent, that it is practically impossible to breach the value norm in the first place. Since structured value documentation is usually sparse, such a situation would be almost impossible to learn for value recipients. Since the main social function of corporate values is communication, such values are considered dysfunctional and need replacement by properly formed and implemented ones. This is where the main contribution of this dissertation lies. By providing a framework enabling the value recipient to analyze and validate corporate values as well as enabling the value declarator to structure, formulate and implement them in an effective and transparent matter, this dissertation strives to provide a theoretically founded tool for a better analysis and understanding of corporate values. This tool can be applied in a broad range of situations, ranging from corporate value analysis, over corporate value validation or corporate value creation to corporate value declaration.

7.1 Summary of the Results

The main contribution of this dissertation is to provide clear distinguishing marks to differentiate between corporate values and values held by individuals. By presenting and discussing the features and functionalities of both functional corporate and individ-

ual values in detail, this dissertation not only provides the means to create more functional and hence better corporate values, but in particular the means to analyze, validate and criticize existing corporate values in a structured, scientific way. It is important to realize that at this point 'functional' does not mean that the values are guaranteed to lead to the desired result, but rather that they contain all ingredients necessary for a corporate value to convey its message. It is still possible for such a corporate value to be rejected or ignored for various reasons, however, if it is not conveyed in the right form at the first place, its functionality is hampered right from the start. The following paragraphs provide a summary overview of the main insights the different chapters of this dissertation provide.

Literature Review (chapter 2)

With a few exceptions the literature reviewed in chapter 2 regards corporate values equivalent to individual or social values with the only deviation being that the former are held by juristic persons while the latter are held by a physical one. Mostly, the authors addressing the topic of corporate values do not bother to provide a definition in the first place or provide a definition fuzzy enough to cover any kind of priority or preference. There are, however, strong reasons to differ: (1) Corporate values and individual values can be in-line but chances are they are in opposition or at least contradictory with regard to certain aspects. (2) Individual values can be idealistic, while corporate values have no other form than a functionalist one, even if it is motivated by an individual's idealistic values. (3) Corporate values are interpreted and implemented differently by different people, depriving them from the solid basis of an individual assessment. (4) Purists consider corporate values dictating behavior and therefore trumping individual values, while their academic antagonists argue that corporate values are merely the sum of all individual values assembled in a corporation. Neither of these perspectives is entirely wrong, nor is either of them able to explain the entire picture, as both sides are striving to explain two phenomena within one theory.

Concepts of Corporate Values (chapter 3)

A structural and functional assessment of corporate values leads to three functions corporate values have to fulfill during their life-cycle to remain socially functional: (1) predictability of actions, (2) identification with the motivation and (3) indication of the groups involved. These functions remain unchanged through all four identified life-cycle phases of a corporate value: (1) the value generation, initially forming the corporate values, (2) the value conveyance, communicating the corporate values to all stakehold-

ers in a way minimizing the scope for interpretation, (3) value control, comparing the goals the corporate value should have been striving for according to its generation and conveyance phases with the actual consequences after introduction of the new corporate values and (4) value evolution, where an existing corporate value is adapted or even entirely dropped as a consequence of the value control phase's insights.

Up to this point, most statements concerning the value phases are also true with regard to individual values. In this dissertation, however, every phase is analyzed from two points of view: the functionalist-normative and the individualistic-interpretative ones. While the former represents the normative expectation of the value declarators²⁵, the latter embodies the descriptive understanding of the individual value recipient²⁶. Combining both views ensures that the framework reflects both perspectives, as both of them are vital for functional corporate values.

In addition to the four value phases discussed, there is the reporting phase. While technically not part of the framework, the reporting phase is too closely linked to it to be left out. The main connection is the fact that corporate values, in contrast to individual values, depend on being communicated and becoming part of an interpersonal reality, as corporate values are able to exert their functionality only under such conditions. While individual values, which have not been communicated, can still exert strong influence on individual behavior, corporate values that have not been communicated have no influence on corporate behavior at all.

Elements of the Framework (chapter 4)

The different elements of the framework have different functions and origins and are therefore organized in three layers. While the lowest layer containing the basic elements is shared by all corporate values, as its main function is defining concepts crucial for the understanding of a corporate value's functionality (e.g., the characteristic of corporate action, the measurement of value achievement, the characterization of the term 'corporate value', etc.), the middle and the upper layer are not.

The middle layer represents the four phases of a corporate value. The structure of the four phases remains constant, but the content of these phases heavily depends on the value's content and therefore varies from corporate value to corporate value. Similarly, the upper layer's structure and function investigating the value clusters and sets remain constant, while the actual analysis of value clusters and sets depends on the

²⁵ In Giddens' structuration theory they are representing "structure".

²⁶ In Giddens' structuration theory they are representing "agency".

remaining corporate values and their interpretation and prioritization. While value clusters group different corporate values together to express the value declarators' view of the corporate value landscape, value sets express the intended interplay between two corporate values, characterizing their hierarchy. Corporate value interplay can be characterized as amplifying, balancing or impairing. While value clusters are a depiction of the virtual corporate agent's value categories, the value sets and their value interplays rather represent value priorities within and across these categories.

Construction of the Framework (chapter 5)

Using the elements identified and discussed in chapter 4, this chapter elaborates the relations between the concepts of the framework and their individual quality. In addition to the three layers already discussed in chapter 4, the perspective of reporting is added in chapter 5.4. While not technically part of the framework, reporting still has a crucial role to play when discussing the functionality of corporate values, as they depend on being communicated and received. Without reception, their communication goal is not fulfilled and the corporate values fail their *raison d'être*. Reporting can therefore be perceived as making sure the corporate values are received and can fulfill their duty.

Finally, chapter 5.5 follows up on the criteria discussed in chapter 3.1 and demonstrates one-by-one why, how, and on which layers the different criteria are met by the framework. While the criteria of predictability and groups involved are mainly rooted in the middle layer, the criteria of identification is at least as heavily rooted in the upper level as in the two others. The lower level containing the basic elements is crucial for all criteria as it provides the fundamental building tools for the entire framework.

Reconstruction of a Corporate Value (chapter 6)

The goal of the reconstruction made in chapter 6 is not primarily to improve the corporate values of the corporation in question, but to validate the framework developed in the previous chapters. This is done in two steps: First corporate quotes and statements are collected to assemble the data and identify existing value issues and value goals. These value issues and goals are then used in a second step as an orientation to reconstruct corporate values fitting the stated value issues and goals. Comparing the reconstructed corporate values to the formulated ones demonstrates the efficacy of the framework and validates its applicability. While this does not suggest that the reconstruction accurately recreated the example corporation's values, it does mean that ap-

plying the framework to analyze, validate or create corporate values does produce more functional results than refraining from doing so.

Overall Contribution

As stated in chapter 1.2, the root problem this dissertation is addressing is the fact many declared corporate values end up being dysfunctional for one reason or another. This dissertation demonstrates in chapters 2 and 3 that corporate values function differently from individual values, elaborates the causes for this phenomenon and concludes that their analysis and construction cannot be left to intuition. Rather, this dissertation stresses that corporate values need a clear-cut structure and minimal informative value in order to become functional. To stay functional, however, an iterative cycle of control and evolution is necessary to keep up with the ever ongoing organizational value development, partly triggered deliberately, partly triggered by the friction of structure and agency. In addition to the framework itself, the aspect of reporting is also addressed, since having corporate values without communicating them is the fastest way to turn them dysfunctional. Finally, the exemplary reconstruction of corporate values performed in chapter 6 demonstrates and thereby validates the framework's approach and its analytical power. It does so by first collecting data stock of corporate statements concerning corporate values, then by filling in the information missing in order to reconstruct them using the framework and, finally, by reconstructing the corporate values and pointing out their functional supremacy in comparison to the originally formulated corporate values.

7.2 Further Research

Since corporate values are on a broad scale ignored in their specificity and treated as though corporations were fully equivalent to human beings with regard to individual ideologies, preferences, personality traits and ethnic perspectives, further research is needed in at least two fields, if corporate values are to fulfill their social function:

Communication of motivations and goals

While the framework is applicable and functional in its current form, it certainly has further potential regarding more detailed descriptions of value interrelations and the discussion of individual concept components of the framework. Particularly, however, the question of how to successfully communicate the original motivations and goals behind declared corporate values is of high relevance. Although strictly speaking going beyond the topic of the 'structure vs. agency'-dichotomy, this question addresses the

identification function during the phase of value conveyance, intentionally left unscrutinized in chapter 3.1. If the conveyed motivations and goals behind a declared corporate value are e.g. met by pre-existing alternative explanations for these motivations and goals or if the link between motivations, goals and declared corporate value is not entirely obvious to the untrained eye, doubts arise. Whenever there are doubts in a corporate value – either because the corporate value is formulated ambiguously or the formulation collides with inner conviction of the value recipient – those gaps of trust are filled with individual explanations and motivations. This, in turn, is the beginning of the end of a functional corporate value.

Alternatives to Conveying Corporate Values

With few exceptions, this dissertation assumes that corporate value conveyance is the method of choice in order to build up corporate values in an enterprise. There are, however, other conceivable approaches to address the need to create functioning corporate values that are worth investigating: (1) Corporations could e.g. decide to rigidly pre-select their employees regarding their individual values and thereby achieve a higher degree of value homogeneity and stability right from the start. This could either make the corporate values more functional since one can expect less disagreement and more harmony among such a selection of employees. Alternatively, this measure could render the corporate values less functional, as all involved value recipients can agree on a middle-ground value very few actually live, leading after some time to the fossilization of corporate values into empty but untouchable institutions. (2) Corporations could abandon the idea of corporate-wide values and instead go for divisional, regional or even team values. These smaller-scale values would only apply to the division, region or team, while the collaboration between the different corporate units is the only aspect being regulated on a corporate level. This could give individual units or teams the opportunity to stronger identify with their work as they are able to take influence on how the work is done. The corporate agent, however, would either cease to exist or would have to be redefined with a new role. (3) The model of value declarators declaring values to the employees, who are seen as value recipients, could be replaced by a bottom-up approach, where corporate values are the result of an ongoing, democratic process, with all the consequences for the perception of the corporate agent.

7.3 Practical Implications

This dissertation focuses on the academic research questions described in chapter 3.1, producing the theoretical approaches as how to describe the social functions of corporate values, how to characterize a functional corporate value, and, finally, how to scrutinize corporate value statements for their informative value and comprehensiveness. My original question concerning what is required to address the challenge of practically meaningless corporate values has been addressed over the last few hundred pages on an academic level. For the corporate values to actually improve and become more functional, however, the step from theory to practice has to be made. To give corporate values back their meaning, significance, and, finally, functionality, the academic approach of this dissertation has to be broken down and translated into practical proceedings, accessible to a broad range of people. It is also conceivable that in the near future in parallel to today's sustainability reporting rankings a corporation's ability to transparently communicate its corporate values could be ranked, as well. Such a ranking would not reward certain 'good' corporate values but rather the ability to communicate corporate values in a functional, evaluatable form. This would enable the value recipient to actually carry out its role and critically evaluate whatever values a corporation has to offer – a market of competing corporate values could arise for the benefit of all value recipients involved.

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